

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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OPA ISSUES SUPPLEMENT 7 TO FPR 1 ESTABLISHING PRICING METHOD FOR CANNED FRUITS AND VEGETABLES

Supplement No. 7 to Food Products Regulation No. 1, issued by the Office of Price Administration and effective July 31, 1944, provides a formula for pricing the 1944 pack of certain canned fruits and vegetables. Copies of the supplement accompany this issue of the INFORMATION LETTER and should be filed with it.

Prices to be used for pricing each of the products will appear in appendices to the Supplement. Appendices containing prices for canned spinach, asparagus and RSP cherries were issued with the Supplement.

A canner should, before attempting to price his product, study the Supplement carefully and follow the instructions contained therein. The principal features of the pricing formula may be summarized briefly as follows:

A canner is authorized to calculate his own ceiling price for each item. Three factors are to be used in this calculation: (1) Base Price, (2) Permitted increase, (3) Price range. The OPA will supply the permitted increase and the price range for most items. The canner will calculate his own base price. The base price will, in most instances, be the weighted average price of sales made during the first 60 days of the canner's 1941 pack. See Art. II (Sec. 5 (a) (1) (1)).

CIVILIAN SALES — NON-SUBSIDIZED PRODUCTS: A canner's ceiling price for civilian sales of most fruits and of three of the vegetables (asparagus, beets and spinach) will be his gross ceiling, calculated by adding the OPA permitted increase to his base price, provided that price comes within the appropriate range of prices announced by OPA. If the canner's calculated price is higher than the upper limit of the OPA price range, the canner must take the highest price of the range for his ceiling. If the canner's price figures out to be lower than the low level of the OPA price range, his ceiling will be the bottom price of the range.

CIVILIAN SALES — SUBSIDIZED PRODUCTS: The maximum price at which a canner may sell any item of a product on which a direct subsidy is paid by the Government will be the gross ceiling price, as calculated for non-subsidized

products, less the amount of the subsidy.

Section 1.8 of FPR 1 defines "item" as meaning a kind, variety, grade, brand, style of pack, container type, and size of product. The gross ceiling prices of canned corn, peas, tomatoes, green and wax beans, and tomato juice will be adjusted because of subsidy payments.

GOVERNMENT SALES — ALL FORMULA-PRICED PRODUCTS: Ceiling prices for sales to Government agencies will be 96 per cent of the gross ceiling price. (See also Sec. 2.12 of FPR 1—Maximum prices for sales to government procurement agencies in certain cases.)

There will be many instances when a canner will not have all three of the essential factors (base price, permitted increase and range of prices) to use in calculating his ceiling price. When any one of these three factors is lacking it will be calculated by conversion. The basic method described above will be used for only those items for which a canner can establish his base price and (Continued on page 8338)

OPA to Permit Adjustable Pricing for 1944 Pack

Processors of the 1944 pack of canned and frozen fruits, vegetables and berries will be allowed by the Office of Price Administration to make sales and deliveries of these products at present ceiling prices, subject to an agreement to adjust the maximum prices after delivery. This has been done in order to relieve a critical shortage of storage facilities with which many processors are faced and to permit a more orderly distribution of the 1944 pack.

OPA emphasized that wholesalers and retailers purchasing on this basis must hold such merchandise unless they wish to sell it at their present ceiling prices. In that event, since adjustable pricing is not permitted by wholesalers and retailers, they must risk being "squeezed" if their suppliers later bill them at higher prices established by OPA for 1944 pack merchandise.

COMMODITY CREDIT CORPORATION SUBSIDY CONTRACT

Analysis of Provisions of Agreement for 1944 Sent to Canners

On July 29, 1944, there were mailed to all canners of snap beans, green peas, sweet corn, tomatoes and tomato juice two copies of the Commodity Credit Corporation's 1944 contract covering subsidy payments to reflect increases in growers' support prices and other costs. It will be recalled that the proposed subsidy payments for 1944 were discussed by Mr. Lee Marshall, Director of Distribution of the War Food Administration, in his address before the Association's Board of Directors in May, 1944. See INFORMATION LETTER, No. 987, p. 8234. Further details of the program were presented in the LETTER for July 22.

The Commodity Credit Corporation Contract is designed to carry out the terms of the directive issued by the Economic Stabilization Director, Fred M. Vinson, on July 18, 1944. An analysis of this directive, as well as its text, appeared in the July 22 INFORMATION LETTER, p. 8319.

The formal contract now issued by the Corporation follows closely the previous announcements as to what it would contain. The text of the agreement, although quite lengthy and phrased in formal language, appears to be self-explanatory to a greater degree than any previous subsidy contract. Accordingly, only those provisions which appear to require explanation as to their legal basis, or to warrant additional comment, are dealt with in any detail in this analysis of the contract.

Contract Formalities

The agreement is to be signed in duplicate both by the Corporation and the canner (Paragraph 12). The procedure contemplates that the canner will sign and return both copies and that thereafter the Corporation will execute the documents and return one to the canner. A list of the plants at which the vegetables covered by the contract will be canned must be attached to each copy of the contract.

There will be but one contract covering all of the vegetables included in the agreement and all of the operations of the individual canner at each of his plants.

The contract will cover only what are called "designated vegetables" (Par. 1(a)). These include tomatoes, green peas, sweet corn and snap beans. These vegetables when canned during the period March 1, 1944, to April 30, 1945, become "designated canned foods" (Par. 1(c)). In its present form the agreement covers only canned tomatoes, canned tomato juice, canned green peas, canned sweet corn, and canned snap beans. Paragraph 10(c) provides for the addition by an amendment of other canned foods. The letter accompanying the contract stated that an amendment would be issued shortly covering pea and tomato soups. As noted in the July 22 *Letter*, it is not expected that other products of these vegetables will be subsidized, but that OPA will, pursuant to Director Vinson's order of July 18th, reflect increased raw material and other costs in the ceiling prices for these products.

Basic Structure

The contract provides for payments at specified rates to be made on a finished goods basis. This arrangement is phrased in formal terms which have become standard in this type of Commodity Credit Corporation contract. The applicable unit is an "eligible sale" consisting of any number of dozens of the finished canned vegetable or product. Such "eligible sale" is a sale made between March 1, 1944, and April 30, 1945, at a fixed price and in which title passes to a purchaser other than a government procurement agency. The sale must be an original civilian sale and cannot include goods previously sold to a government procurement agency and later bought back from such agency. In addition, for the transaction to qualify as an "eligible sale" the goods must not have been packed, sold or delivered in violation of any OPA regulation or any WFA set-aside order, or in violation of either WPB tin or glass limitation orders.

These provisions raise an interesting legal question as to whether the conditions imposed are in compliance with Section 2(m) which was added to the Emergency Price Control Act on June 30, 1944. This section prohibits any agency of the Government in paying sums for the production or sale of agricultural commodities from imposing

"any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are au-

thorized, [or] such contracts are made." (See *INFORMATION LETTER*, No. 901, June 24, 1944, p. 8282.)

Necessarily, the statutes providing for the use of Commodity Credit Corporation funds do not bear any direct relation to the issuance of OPA, WFA, or WPB orders. It is probably for this reason that these limitations have been phrased in terms of determining "eligibility" of a sale rather than as conditions on payment. (As will be seen below, there are a series of other conditions on the payment of *any* sums under the contract.) The qualifications governing what is an "eligible sale" would appear to operate on basis of individual sales and the failure of a particular sale to qualify would not directly affect the qualifications of any other sale. In short, the Corporation is apparently taking the position that the listing of the qualifications governing the kind of transactions on which it will pay a subsidy is not the same as the imposition of "conditions or penalties."

Even on this basis, it is not altogether clear how the requirements of Paragraph 1(i) will operate. In view of the "presumption" concerning grade requirements in OPA price regulations, it may not be always clear, prior to litigation, as to whether a particular sale complied with an OPA maximum price regulation. It will not be readily possible to say that a particular lot of goods was or was not sold in violation of a set-aside order since other goods may be available to satisfy the set-aside order. Likewise, whether a particular lot represents the excess of allowable quota under a War Production Board order is a difficult question.

Rate of Payment

Payment will be made upon a per dozen basis. Up to the time that maximum price regulations covering the 1944 pack of a subsidized canned vegetable or product are issued, the rates of payment set forth in the agreement will prevail on all sales up to that time. A specific number of cents per dozen, basis No. 2's, is set forth in the contract, together with a table of conversion factors for other sizes of containers.

After the date on which a maximum price regulation becomes effective covering the 1944 pack of any of these canned vegetables or products, the amount of payment is to be the difference between the applicable gross maximum price and the applicable civilian maximum price. This means that the OPA is to determine the ceiling price which will yield a generally fair and equitable margin under the Price Act. There-

after, pursuant to Judge Vinson's directive of July 18th, the OPA will establish an actual civilian maximum price

"which will reflect approximately the average prices established for such products in 1943."

This will permit compliance with the President's Hold-the-Line order of April 8, 1943. The OPA will then determine the difference and will, pursuant to the directive, furnish this information to the War Food Administration.

The form in which the subsidy contract is drafted contemplates that with respect to these subsidized canned vegetables and products, the OPA will officially set forth in some fashion the "applicable gross maximum price," as well as the actual ceiling price at which the goods may be lawfully sold for civilian distribution.

Conditions of Payment

Much of the language of the contract is devoted to the recital of conditions on the payment of any part of the subsidy. The first of these is a general condition requiring that there be full compliance with each of the contract's terms. (As already noted, this is apparently not true of the requirements of Paragraph 1(i) concerning "eligible sales" which appear to be on the basis of individual sales.) Paragraph 8(b) provides that if the Corporation makes "a preliminary determination" that a canner has failed to comply with any of the terms of the contract, it may suspend all payments. If it determines finally that there has been a failure to comply with any of the terms of the contract, the canner may be not only denied all future payments but may be required to repay all past payments with respect to "transactions" not in compliance. The term "transactions" in Paragraph 8(b) is not defined in the contract and possibly has reference to the purchase of raw material either on contract or on the open market. Paragraph 8(b) appears to be drafted in such form that the determination as to whether a canner has violated any of the provisions of the agreement rests with the Corporation. Even though phrased in this form, it seems clear that any unreasonable or arbitrary determination could be reviewed in court in an appropriate judicial proceeding.

The second condition upon payment of any subsidy is the requirement of certification by State Agricultural Conservation Committees. Paragraph 3 requires that before any payments are made, the canner must prove that he has been certified with respect to *all* of the vegetables covered by the contract and for each of the plants in

which any of them is processed. Failure to obtain certification for any plant will permit the Corporation to refuse to make any subsidy payments.

It is also provided that if certification is cancelled all payments will cease and prior payments will have to be refunded unless the canner has the cancellation withdrawn by the State Agricultural Conservation Committee or has it withdrawn as the result of an appeal to the War Food Administration. One respect in which the present contract appears to differ from similar provisions in last year's contract is that there seems to be no provision for an appeal to the War Food Administration in the event of a refusal at the outset by a State Agricultural Conservation Committee to give certification.

The third condition upon payment is the requirement in Paragraph 2 that the canner pay the grower support price for all commodities derived from contracted acreage. Paragraph 1(1) defines a purchase from contracted acreage to require that the raw material be purchased between March 1, 1944, and April 30, 1945, pursuant to an acreage contract which has been approved by the State Agricultural Conservation Committee.

Related to this requirement that the support price be paid is Paragraph 5 covering open market buying. This provides for a continuing series of deductions from the amount of the subsidy. Such deductions are measured by the amount by which the total purchase price of all open market purchases is less than the support price for the particular vegetable in the areas bought and at the time purchased. In computing the total purchase price of all open market acquisitions, the canner is not permitted to include for any purchase more than the amount of the support price. In other words, the canner buying in the open market will lose the difference between the support price and any lesser price he pays but will not be credited with any amounts paid in excess of the applicable growers' support price.

Canners who grow their own raw materials may credit themselves as having paid the applicable support price. Likewise, if the Corporation makes any payments to a canner to encourage the purchase and diversion of vegetables from any specified area, the cost of such vegetables for the purpose of determining whether any deduction should be made is to be reduced by the amount of such diversion payment.

With respect to each of these conditions upon the payment of the sub-

sidy, the contract provides in Paragraph 11 that the Corporation may

"in its absolute discretion and upon such terms and conditions as it may determine"

waive any of the conditions for the performance of any of the canner's obligations under the contract. Such waivers to be effective must be pursuant to a written instrument from the Corporation. The extent to which this provision may become operative is of course entirely within the discretion of the Corporation. It may permit the waiver of technical and inadvertent failures to comply. Legally, however, no canner may rely upon its exercise in any particular instance.

Method of Payment

Payment is to be made upon applications filed by the canner. No application may be filed after May 31, 1945 (Par. 6). The application form is attached to the contract, together with directions for its use. Attention is called to the requirement that a list of the plants must accompany such applications and that a separate application must be submitted for each plant. Each application must be in duplicate. In addition, on and after the fifteenth day following completion of the pack, no payments will be made unless the reports required by the set-aside order have been filed.

One application may be filed each month and may include eligible sales up to within ten calendar days prior to the date of filing. The Corporation will make a preliminary audit and "as soon as practicable" will pay the amount shown subject to final audit and restitution of any overage.

Amendments

If the War Food Administration at some later date increases a grower's support price, the payments are to be increased proportionately on sales of canned foods processed from raw materials purchased after the date of such increase. A similar provision is made in the case of any decrease in the grower's support price. These amendments, as well as any amendment including additional products under the contract, become effective either upon the issuance of a press release or the filing of such amendment with the Federal Register.

Miscellaneous Provisions

Paragraph 9 requires the keeping of specific records for the purpose of enabling the Corporation to audit the transactions upon which the subsidy is paid. Paragraph 14 prohibits assignment of any claims without the

prior written approval of the Corporation. An anti-discrimination clause is also included (Par. 18).

Paragraph 19 requires compliance with Executive Order 9301. This provision is required by the Executive Order to be inserted in the contract and is to govern "to the extent determined applicable." This Executive Order is the one which prescribes 48 hours as the minimum work week and which is administered through the Regional and Area Directors of the War Manpower Commission. It will be recalled that individual employers in a "labor shortage" area to which the 48-hour week applies may obtain individual exemptions where the nature of the work makes a scheduled work week impracticable and that the question of whether it is applicable is determined by the WMC Regional and Area Directors. See INFORMATION LETTERS No. 921 and 924, pp. 7493 and 7535. Since most canners have now undoubtedly discovered to what extent their individual operations are subject to the 48-hour week, the clause does no more than require canners to continue their present practice.

It should be observed, however, that, if a canner is subject to the 48-hour week, failure to comply with it would be a breach of the contract furnishing a basis for refusing payments due, or for requiring refund of payments made, under the contract. In effect, therefore, the inclusion of this clause constitutes an additional method of enforcing the WMC 48-hour work week orders.

Changes in Canned Cut Beets

Standards Announced by WFA

The Office of Distribution of the War Food Administration has announced the following changes in the Standards for Grades of Canned Beets, effective August 1:

"The United States Standards for Grades of Canned Beets, which became effective on October 1, 1941, are hereby amended to provide the following changes with respect to Cut Style of beets:

"Page 1. Definition of CUT—eliminate the words: 'weighing not less than ¼ ounce and.'

"UNIFORMITY OF SIZE—Classification (C)—Change sentence pertaining to Cut Beets which reads 'Cut Beets are pieces weighing not less than ¼ ounce nor more than 3 ounces,' to read: 'Cut Beets are pieces weighing not less than ¼ ounce nor more than 3 ounces, and the largest piece weighs not more than twelve times the weight of the smallest.'"

CANNERS PLACED ON USES "MUST" MANPOWER LIST

Food Processors Receive Top Rating as an Aid in Obtaining Labor

Manpower for food processing plants has been placed on the production emergency, the so-called "must," list until October 1, by the inter-agency Production Executive Committee, with the object of enabling canners to obtain sufficient labor during the peak of this year's canning season.

The action, which was taken at a recent meeting of the Committee, places the canning industry in a labor priority group above other essential activities. This priority will be recognized by local U. S. Employment Service offices.

Food processing also has been given a "B" priority for inter-regional recruitment activities, thereby again placing the canning industry near the top of the manpower recruitment list. Only a few highly critical activities have a higher rating.

Both actions are contained in the following telegram which was wired the War Manpower Commission field offices on July 31:

"The Production Executive Committee on July 26 accorded 'must' status to the food processing industry, consequently, all inter-regional recruitment activities for the food processing industry is being accorded Manpower Rating of 'B.' This is a temporary rating which will remain in effect until October 1."

Meyer Named Chief of WFA's Fruit and Vegetable Branch

E. A. Meyer has been named Chief of the War Food Administration's Office of Distribution Fruit and Vegetable Branch, succeeding the late W. G. Meal, who died July 16. Mr. Meyer, a former Vice-President of C. H. Musselman Co., has been serving as Associate Chief of the WFA branch for the past several months.

Entering the government service in October, 1941, as a consultant on canned foods with the Office of Production Management, Mr. Meyer later served as Chief of the Canned Foods Section of the War Production Board and as Chief of the WFA's Office of Distribution Industry Operations Branch. He was "drafted" to take over the direction of the Fruit and Vegetable Branch because of his many years of experience in the food industry.

Mr. Meyer has participated in many of the Association's meetings and because of his excellent grasp of the problems confronting the industry, his coun-

sel has been sought by canners throughout the Nation.

The WFA also has announced the resignation of Carl G. Wooster, chief of the fresh marketing division, Fruit and Vegetable Branch. Mr. Wooster resigned to return to the management of his farms in New York State.

Farm Vehicles Eligible for Used Truck Tires, if Available

Farm tractors, farm implements, farm wagons, and other vehicles needed in farm operations may be equipped with used truck tires if any are available, the Office of Price Administration has announced. Hitherto, this type of equipment was eligible only for industrial tires, tractor-implement tires, and Grade III (used passenger) tires.

The action, which became effective August 2 in Amendment 81 to Ration Order 1A, was taken to help obtain tires for farm equipment requiring sizes larger than passenger and farm-implement tires.

OPA also announced that farmers desiring to obtain tires for a farm tractor, implement or wagon that they plan to convert from steel wheels to wheels requiring rubber tires must obtain approval of the conversion through the appropriate county or State committee of the War Food Administration before tires may be issued for these vehicles. This removes the authority formerly granted local War Price and Ration Boards to issue certificates for farm tires without WFA concurrence.

New Container Order Lowers Ratings for Some Food Items

Relative essentiality of consumer products and industrial goods, in relation to the procurement of new fibre shipping containers, is more explicitly defined by amendment of Fibre Shipping Container Rating Order, P-146, the War Production Board announced on August 2.

Among individual consumer items to receive a lower shipping container rating under the amended P-146 are baked beans, condiments, and prepared relishes. Now, as under the former P-146, most foods receive the high shipping container rating of AA-2x, and more essential household items will continue to obtain cartons under rating AA-3. As revised, the order gives a rating of AA-3 to baked beans and AA-5 to condiments and prepared relishes.

Pea, Bean Insect Conditions for the Week Ending July 29

According to a report issued by the U. S. Bureau of Entomology and Plant Quarantine, the pea aphid has ceased to be a problem for the current season throughout most of the pea-producing districts of the country. This insect has increased markedly in abundance, however, during the past two weeks in northern Maine. The critical season on the pea weevil is now over. The percentage of canning peas infested by the pea moth in the State of Washington has diminished sharply since 1943.

Mexican bean beetle populations and degree of damage continue light, for the period covered by this report, in most of the States reporting. The bean leafhopper is causing severe injury to beans in the mountain districts of North Carolina and Tennessee and moderate injury in New York, New Jersey, Pennsylvania, Wisconsin, and Minnesota. The bean aphid is causing moderate to severe injury to lima beans or snap beans in New York, Pennsylvania, Delaware, and Washington. Red spiders are damaging snap beans severely in Kentucky. Flea beetles and an unidentified looper are injuring beans in northern Wisconsin and adjacent Minnesota.

Dodds Goes with Coast Firm

John E. Dodds, who resigned August 5 as Assistant Chief of the War Food Administration's Office of Distribution Fruit and Vegetable Branch, has left Washington to take over his new duties with Schuckl & Co., Inc., at Sunnyvale, California. Mr. Dodds had been with the U. S. Department of Agriculture and the War Food Administration for the past six years, during which time he gained an industry-wide acquaintance with canners, by whom he is held in high regard. As announced last week, Paul M. Williams will succeed Mr. Dodds in the Fruit and Vegetable Branch.

Order Administrator Named

The appointment of John deBack as Administrator of Order P-115, was announced by the War Food Administration recently. He had been serving as acting administrator of Order P-115 since July 1, and prior to that time served in the capacity of assistant administrator of the Order. His industry background, as well as his government experience in connection with the administration of Order P-115, fully qualifies him as administrator, the WFA said.

WFA ANNOUNCES CANNED FRUIT SUPPORT PROGRAM

Includes Apricots, Peaches, Pears, Fruit Cocktail and Mix

A program to support the prices of canned apricots, peaches, pears, fruit cocktail, and fruit mix was announced August 4 by the War Food Administration.

Support will be effected through an offer by WFA to purchase these commodities from canners at prices which will be made equal to 86.4 per cent of the canner's individual gross f.o.b. civilian ceiling prices or 86.4 per cent of the area average ceiling prices for the industry, whichever are the lower.

With concurrence of the canner the WFA may fulfill its commitment by reimbursing the canner for the difference between the appropriate support level and the price below this level at which sales in civilian trade channels are made.

Participation in the program will be restricted to canners who pay growers, for all purchases made, at least the support prices announced by WFA for the raw product or products used. These grower support prices were reported in INFORMATION LETTERS Nos. 902, 904, and 906, except eastern pears, which will be announced soon.

Where it becomes necessary to make purchases or payments to support prices to canners, the WFA will purchase all styles and types of pack in recognized U. S. grades above sub-standard and packed in No. 2½ or No. 10 size cans. In the case of fruit mix where U. S. standards do not exist purchases and payments will be based on the quality standards for fruit cocktail. Cost of inspection is to be borne by the canner.

The support prices are f.o.b. factory net to the vendor and relate to the commodity packed with the vendor's commercial label in domestic shipping cases. If export cases or special packing are required by WFA, the price to the processor will be increased above the support level to cover the added costs.

The program will extend only to fruits canned during the 1944 calendar year; however, WFA will support the price of the various canned fruits covered by the program until June 30, 1945. Canners will be asked to certify that the commodity offered was packed on or after January 1, 1944, and prior to January 1, 1945. Offers made prior to June 30, 1945, will be accepted as soon as possible, although WFA reserves the right to leave commodities accepted in the packer's hands until 30 days after the closing date of the offer, if it should be deemed necessary.

Circumstances prevailing at the time of or after purchases are made will determine the ultimate use of all canned fruits purchased by the WFA and in no instance will the WFA guarantee what disposition is going to be made of the stocks purchased. If it becomes necessary, however, to dispose of the canned fruits on the domestic market because of shortages in domestic supplies, the WFA will make every effort to protect growers and canners by an orderly marketing of such Government-owned stocks.

1943 CANNED SALMON PACK

Report Shows Canners Produced Less Last Year than Year Before

The 1943 salmon pack in the United States and Alaska, on the basis of 48 one-pound cans to the case, totaled 5,704,207 cases as compared with 5,835,006 cases in 1942, according to the U. S. Fish and Wildlife Service. The British Columbia pack was 1,258,222 cases in 1943 and 1,811,561 cases in 1942. Statistics on the Siberian and Japanese packs are not available. The following table shows the 1942 and 1943 pack by regions and species:

REGIONS	1942 Cases	1943 Cases
Alaska, total.....	5,075,974	5,428,318
Southeast.....	2,648,815	1,892,917
Central.....	1,954,154	2,167,306
Western.....	473,005	1,368,095
Coast States, total.....	759,032	275,889
Puget Sound.....	272,133	110,678
Washington Coast.....	18,956	477
Columbia River and Oreg.....	467,943	164,734
British Columbia, total....	1,811,561	1,258,222

SPECIES	1942 Cases	1943 Cases
United States and Alaska:		
Chinook, or king.....	317,110	188,934
Blueback, red, or sockeye.....	1,193,428	2,007,135
Silver, or coho.....	396,231	200,486
Humpback, or pink.....	2,816,234	2,369,411
Chum, or keta.....	1,090,640	921,933
Steelhead trout.....	21,357	16,308
British Columbia:		
Chinook, or king.....	24,745	10,658
Blueback, red, or sockeye.....	666,572	164,889
Silver, or coho.....	211,138	186,042
Humpback, or pink.....	270,623	530,180
Chum, or keta.....	633,834	363,349
Steelhead trout.....	4,649	3,095

Sardine Institute Officers

Officers of the California Sardine Products Institute elected at the annual meeting on July 11 are as follows:

President, H. A. Irving, San Francisco; First Vice-President, George J. Christo, San Francisco; Second Vice-President, Charles L. Cohen, Martinez; Secretary, William C. Morehead, San Francisco; Treasurer, M. R. Flause, Monterey; Assistant Secretary-Manager, David V. Oliver, San Francisco.

Dried Fruit Sales Now under Adjustable Pricing Order

Processors of dried fruits may make sales of the 1944 crop to the Government under an "adjustable pricing" order (Order No. 2 to Maximum Price Regulation 475) issued by the Office of Price Administration. Effective July 29, the order permits processors to enter into contracts for immediate deliveries of dried fruits at 1943 ceilings, with the provision that prices may be adjusted later to the level of those which will be established by OPA for the 1944 crop of dried fruits.

The adjustable pricing order is identical with those issued recently in the case of several canned fruits and vegetables of the 1944 pack and in the case of certain larger size containers of frozen asparagus, spinach, peas and strawberries of the 1944 pack.

Staff Member now a Navy Ensign

James M. Reed, of the Association's Washington Laboratory staff, has accepted appointment as Ensign in the Navy, and will report shortly for preliminary training.

Mr. Reed joined the N. C. A. staff in 1936 and has participated in both bacteriological and chemical projects covering most of the laboratory's activities. At the same time he has continued college studies leading to his graduation in 1943 from George Washington University.

Ceiling Prices for Imported Grapefruit Increased by OPA

A maximum price of \$4.42 per 1½ bushel container or 6 cents per pound, f. o. b. port of entry, has been established for fresh Isle of Pines grapefruit by the Office of Price Administration through Amendment 45 to Maximum Price Regulation 426. This ceiling, effective August 1, applies only to sales during August and September of Isle of Pines grapefruit that are individually wrapped and stamped, both on the wrappers and on the containers, with the customary designation, "Isle of Pines Grapefruit" and "Product of Cuba."

Imported grapefruit, OPA said, has customarily sold at higher prices than white California grapefruit, the closest comparable grapefruit on the market in August and September. Previously, the amount of this differential was covered by a subsidy on the Isle of Pines product and OPA's ceilings at wholesale levels were the same for the two types of grapefruit.

OPA ISSUES SUPPLEMENT

(Continued from page 8333)

for which OPA has announced permitted increases and price ranges. Methods of pricing to be used when one or more of the three essential pricing factors are lacking are described below:

How to price items sold during base period but having no price range: OPA has not established price ranges for some items. If a canner desires to price such an item he must convert his base price of the item to a base price of the nearest item for which a price range has been established and proceed to calculate a ceiling as in the basic formula. The ceiling price thus calculated is then converted back to the item being priced. Conversion factors are shown in the tables in the appendices; see note at bottom of first column, page 3, of Supplement.

How to price items that were not sold during the base period, but for which OPA has established price ranges: In such cases the canner must construct a base price by conversion from the base price of the nearest item sold during the base period, then proceed as in the basic formula.

How to price items having neither base price nor price range: (a) If a canner has a base price for any item of the same product for which a price range has been established, he may convert the ceiling price of the nearest such item to a ceiling price for the item being priced. (b) If a canner has no base price for any item of the same product for which a price range has been established but has a base price for an item having no price range, he must convert that base price to a base price for the nearest item having a price range, and proceed as in the basic formula. The ceiling price thus calculated is then converted back to the item being priced.

How to price products not sold during the base period: (a) Specific dollars-and-cents ceiling prices are provided in the appendices for most of the items of such products. (b) Items for which no specific ceiling prices are provided may be priced by converting the ceiling price of the nearest item that is priced.

How to price subgrades (subdivision of a grade, such as Top Standard or Low Standard): A canner may elect to establish prices for subgrades only if he used subgrades on his invoices of sales during the base period. If a canner elects to use subgrades he must supply OPA with certain information (see bottom third column, page 4 of Supplement). Having satisfied these requirements a canner may sell each

of his subgrades at whatever price he pleases provided that no selling price for any subgrade shall be higher than the top of the applicable price range and provided also that the maximum price for his entire pack of the item shall not be higher than his maximum price for the item figured without regard to subgrades multiplied by the number of units sold. (Read carefully paragraph (c) of Sec. 5, page 4 of Supplement).

Corrections in Order

The following corrections should be made in the printed copy of the Supplement 7 accompanying this issue of the INFORMATION LETTER. The corrections will be issued shortly by the OPA:

Page 2: In Section (4) (b) Pricing Method No. 1 should read Pricing Method No. 2.

Page 9: In Table 4 (Part 1) Area I, price for all Green Center Cuts Standard No. 10 cans should read \$6.40 instead of \$16.40.

Page 10: Table 5, the heading of the second part of the table should read (Part 1) Area I instead of (Part 1), Area 1 A.

Pages 10-12: In Table 6 showing differences between styles (dollars per dozen containers) in Part 1 Area I All Green No. 2 cans Whole Spears, Large to Mammoth/Large should be +.05 instead of +.08.

Part 1, Area I Other than All Green Variety, No. 2 cans, Whole Spears, Small to Mam/Large/Medium should read +.19 instead of +.12.

Part 1, Area I, Other than all Green Variety No. 2 cans, Center Cuts to Medium Whole Spears should read +1.78 instead of +1.72.

Part 1, Area I, Other than All Green Variety No. 10 cans, Soup Cuts to Center Cuts should read -5.12 instead of 5.12.

Part 2, Area II, No. 10 cans Center cuts to Soup Cuts should read +3.64 instead of -3.64.

Part 3, Area III, No. 2 cans, Whole Spears Colossal to Medium, -.62 instead of -.52.

Part 4, Area IV, No. 2 cans Whole Spears Large to Medium should read -.12 instead of -L.

Part 4, Area IV, No. 2 cans, Medium Whole Spears to Center Cuts should read -1.48 instead of -1.40.

Clayton Long is with WFA

Clayton Long, former secretary of the Northwest Canners Association, is with the Insecticide and Fertilizer Section of the War Food Administration's Office of Materials and Facilities, instead of the War Production Board as was reported through an error in the July 22 issue of the LETTER.

Armed Forces to Receive More Cranberries, Civilians Less

Out of a total estimated supply of 53 million pounds (farm weight basis) of cranberries, U. S. military and war services are expected to receive about 17½ million pounds, or 33 per cent, while U. S. civilians will get 32¼ million pounds, or nearly 62 per cent, the War Food Administration reported recently in announcing the cranberry allocation for the period July 1, 1944, to June 30, 1945. The remainder of the crop will go to U. S. territories, Allies, and for other export purposes, WFA said.

The allocation includes fresh, canned, and dehydrated cranberries. From the 1944 production of 53 million pounds, about 15 million pounds will be dehydrated, 7¼ million pounds canned, and 30¼ million pounds will be available in fresh form. The quantity for dehydration is an increase over the amount dehydrated in 1943, but a smaller quantity will be canned this year than during 1943.

This year's expected canned pack of 4 million cases compares with 1.4 million cases in 1943, 2 million cases in 1942, 2.6 million cases in 1941, and 1.9 million cases average during the 1937-41 period.

Canned Carrots Offered

The War Food Administration has been authorized to sell 55,047 cases (24/2's) of canned carrots from stocks held by the War Shipping Administration. The carrots are being first offered for sale back to the original packers.

Lend-lease Foods Reported

Leo T. Crowley, Foreign Economic Administrator, made the following statement recently:

United States forces in the South and Southwest Pacific received 456,939,150 pounds of foodstuffs valued at \$47,911,000 from the Government of New Zealand without cost, as reverse Lend-lease up to May 31, 1944. Among the foodstuffs received were 42,000,820 pounds of canned meats, 16,120,000 pounds of evaporated milk, and 13,820,000 pounds of canned vegetables.

Pamphlet on Slow Leaks

Single copies of the pamphlet, "How to Prevent Roadside Flat Tires," may be obtained without charge from the Maintenance Section, Highway Transportation Department, Office of Defense Transportation, Washington 25, D. C.

OFFICE OF PRICE ADMINISTRATION

(Document No. 35637)

PART 1351—FOOD AND FOOD PRODUCTS

[FPR 1, Supp. 7]

PACKED FRUITS, BERRIES AND VEGETABLES OF THE 1944 AND LATER PACKS

A statement of the considerations involved in the issuance of this supplement has been issued and filed with the Division of the Federal Register.*

SUPPLEMENT 7 TO FOOD PRODUCTS REGULATION—PACKED FRUITS, BERRIES AND VEGETABLES OF THE 1944 AND LATER PACKS

ARTICLE I—EXPLANATION OF THE SUPPLEMENT

Sec.

1. Explanation of the supplement.
2. Applicability of Food Products Regulation No. 1.
3. Definitions.

ARTICLE II—PRICING PROVISIONS

4. Explanation of pricing methods for processors.
5. Maximum prices for sales by processors—Pricing Method No. 1.
6. Maximum prices for sales by processors—Pricing Method No. 2.
7. Maximum prices for secondary processors and repackers.
8. Maximum prices for sales by processors of prior years' pack of listed products which have been sold to them by government agencies.
9. Label and labor allowances.
10. Provisions of Article II of Food Products Regulation No. 1 applicable to this supplement.

ARTICLE III—MISCELLANEOUS PROVISIONS

11. Grades and invoices.
12. Container sizes.
13. Reports which processors must file.
14. Provisions of Article III of Food Products Regulation No. 1 applicable to this supplement.

ARTICLE IV—PRICING APPENDICES

Sec.

15. Appendices for packed vegetables priced under Pricing Method No. 1.
16. Appendices for packed fruits priced under Pricing Method No. 1.

AUTHORITY: Secs. 1 to 16, inclusive, (1 1951.994) issued under 56 Stat. 23, 785; 57 Stat. 566; Pub. Law 385, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 9 F.R. 4661.

ARTICLE I—EXPLANATION OF THE SUPPLEMENT

SECTION 1. Explanation of the supplement—(a) What products are covered by this supplement. In general, this supplement establishes maximum prices for the 1944 and later packs of the canned fruits, berries and vegetables listed below, and others which may be added from time to time. It also covers other closely related packed food products. However, this supplement does not apply

to any listed product which is packed and sold as "baby food", as "junior food", or as "soup". It covers most of the products which were covered by Maximum Price Regulation 306¹, Certain Packed Food Products plus certain additional products.

The general pricing provisions relating to all of the products covered by this supplement will be found in the section listed in Column 3 of the following table. Special pricing provisions which are applicable to particular products or groups of products are set forth in the sections and appendices listed in Column 4.

Column 1	Column 2	Column 3	Column 4	
Item No.	Product	Section	Section	Appendix
1.....	Spinach.....	5	15	A
2.....	Asparagus.....	5	15	B
3.....	Cherries (red sour pitted).	5	16	A

The provisions of this supplement apply to products packed during the year 1944 (and after), except that as to products on which a subsidy is payable the supplement applies to products packed during the period March 1, 1944 to April 30, 1945 (see section 5 (a) (1) (III)). If the major portion of the pack of any product, other than a product on which a subsidy is payable, was packed during 1944, the product shall be deemed to be of the 1944 pack.

In addition, the supplement provides maximum prices for resale of earlier years' packs which have been purchased from the government (see section 8).

(b) *What sellers are covered by this supplement.* This supplement applies to sales by all persons except wholesalers and retailers.

However, sales and deliveries of products covered by this supplement by a processor in any calendar year in which his total volume of sales of the products does not exceed 1,500 quarts (or an equivalent amount in other container sizes) are not subject to the maximum prices or other requirements imposed by this supplement.

(c) *Where this supplement applies.* This supplement applies in the 48 states of the United States and the District of Columbia.

(d) *What this supplement supersedes.* This supplement supersedes the provisions of all other maximum price regulations and orders as to the commodities and sellers covered.

(e) *When this supplement is effective.* This supplement becomes effective July 31, 1944.

The "effective date" of this supplement as to any product covered by it shall be the date when the pricing provisions of the supplement first became applicable to it.

Sec. 2. Applicability of Food Products Regulation No. 1. Important: Not all of the provisions affecting the maximum prices of the listed packed food products are stated in this supplement. Those which are not specifically set forth here are stated in Food Products Regulation No. 1, and they are just as much a part of this supplement as if they were printed here. The "explanation of the regulation" is also a part of this supplement.

The particular sections of Food Products Regulation No. 1 which are applicable to this supplement are listed in appropriate places in the following sections (in each case, the section number set forth in parentheses is the appropriate section number of Food Products Regulation No. 1). When any applicable section of the regulation is amended, the amendment also is applicable to this supplement.

Sec. 3. Definitions. (a) When used in this supplement the term:

"Packed" means processed and enclosed in any container, whether or not hermetically sealed. However, the term does not include any product when processed by freezing, drying or dehydrating, or brining, nor does it include any of the packed products known as preserves, relishes or pickles.

"Packed fruits" means any specified packed fruit, mixture of fruits, juice and nectar or any mixture of juices, or products made from specified fruits.

"Packed berries" means any specified packed berry, mixture of berries, juice and nectar or any mixture of juices, or products made from specified berries.

"Packed vegetables" means any specified packed vegetable, mixture of vegetables, juice or any mixture of juices, or products made from specified vegetables.

"Secondary processor" means a processor who purchases the kind of processed product being priced in bulk, barrels or other large containers and further processes and repacks it in containers other than the original container in which the commodity was shipped to him.

"Price range" means the range of prices named in the applicable appendix for a particular grade, variety and container type and size of product within which all maximum prices for processors of items of that description must fall.

"F. O. B. shipping point" means f. o. b. factory in cases where the processor sold the item being priced on an f. o. b. factory basis during the applicable base period. It means f. o. b. branch warehouse in cases where he sold it from branch warehouses during that period.

*Copies may be obtained from the Office of Price Administration.

¹ 9 F.R. 6711.

² 9 F.R. 16895, 17234, 17265, 17423; 9 F.R. 287, 56, 1710, 2287, 4348, 5075, 6109, 7502.

(b) The definitions of the following terms, set forth in the designated sections of Food Products Regulation No. 1, are applicable to this supplement:

"Person" (sec. 1.1 of FPR 1).
"Processor" (sec. 1.3 of FPR 1).
"Distributor" (sec. 1.5 of FPR 1).
"Repacker" (sec. 1.6 of FPR 1).
"Primary distributor" (sec. 1.8 of FPR 1).
"Wholesaler" and "retailer" (sec. 1.9 of FPR 1).
"Ultimate consumer" (sec. 1.7 of FPR 1).
"Item" (sec. 1.2 of FPR 1). Different subgrades of the same grade shall not constitute separate items.
"Container type" (sec. 1.9 of FPR 1).
"Sale" (sec. 1.10 of FPR 1).
"Price" (sec. 1.11 of FPR 1).
"Net delivered cost" (sec. 1.12 of FPR 1).
"Delivered to the customary receiving point" (sec. 1.13 of FPR 1).
"Records" (sec. 1.14 of FPR 1).

ARTICLE II—PRICING PROVISIONS

Sec. 4. Explanation of pricing methods for processors. Processors' maximum prices for the products covered by this supplement are figured under two general methods.

(a) **Pricing Method No. 1.** Under Pricing Method No. 1, as set forth in section 5, the processor in most cases figures his maximum price by taking his weighted average selling price for the item being priced during the first 60 days after the beginning of the 1941 pack (or other base period named in the applicable appendix) and adding a specified permitted increase. The resulting figure is the processor's "gross maximum price" (that is, the maximum price before subtraction of any direct subsidy payable per unit of the finished product), provided that it falls within the price range fixed for the item in the appendix. If it is higher than the highest price named in the price range, the processor's gross maximum price is the highest price named in the price range. Likewise, if it is lower than the lowest price named in the price range, the processor's gross maximum price is the lowest price named in the price range.

For sales to government procurement agencies, the processor figures his maximum price by taking 90% of his gross maximum price. (Gross maximum prices, it should be remembered, must fall within the applicable price range.)

If the processor sold the particular product during the base period, but only in a grade, style, or container type or size which is different from the one being priced, or for which no price range is provided, he figures his maximum price by the same general pricing method, supplemented by the use of conversion factors (for different container types and sizes, different styles, and different grades). In each case the conversion factors to be used are set forth in the appendix applicable to the product.

If the processor was not in business during 1941 or if he made no sales of the product during the base period, he figures his gross maximum price for the item being priced by using as his gross maximum price the specific dollars-and-cents price named in the applicable appendix. In cases where a specific dollars-and-cents price is not provided for the item, he figures his gross maximum price

by applying the appropriate conversion factors to the specific dollars-and-cents price named for the nearest container size, style and grade of the product.

For any item of a product on which a direct subsidy is payable, the processor figures his maximum price for sales to purchasers other than government procurement agencies by subtracting from his gross maximum price the amount of the subsidy payable per unit of the finished product. The amount of the subsidy to be subtracted is specifically set forth in the applicable appendix for each container size for which a price range is established, and the amount of the subsidy for any other container size being priced must be figured by applying the appropriate conversion factors named in the appendix.

(b) **Pricing Method No. 1.** Products which are not priced under Pricing Method No. 1 will be priced under Pricing Method No. 2, to be set forth in section 6. The details of this pricing method will be announced later.

Sec. 5. Maximum prices for sales by processors—Pricing Method No. 1; products covered by Pricing Method No. 1. The products covered by Pricing Method No. 1 are listed below:

Packed fruits:
Apples.
Applesauce.
Apricots.
Cherries (red sour pitted).
Cherries (sweet).
Fruit cocktail.
Peaches.
Pears.
Prunes (packed from fresh prunes).
Packed vegetables:
Asparagus.
Beans (snap).
Beets.
Corn (sweet).
Peas.
Spinach.
Tomatoes.
Tomato juice.

NOTE: Not all of the packed fruits and vegetables above are covered by this supplement as originally issued. Others will be added later. A listed product may be priced under this supplement only on and after the effective date of the supplement or amendment (as the case may be) which provides an appendix covering that product (see section 1 for the list of products which this supplement covers).

(a) **Maximum prices for sales by processors to purchasers other than government procurement agencies of products sold during the base period.** For products sold in any form during the base period, the processor figures his maximum price for sales to purchasers other than government procurement agencies under this paragraph (a), under the particular subparagraph listed below which is applicable to the item being priced:

To price items sold during the base period and for which price ranges are provided. (See subparagraph (1) below).

To price items sold during the base period but for which price ranges are not provided. (See subparagraph (2) below).

To price items not sold during the base period but for which price ranges are provided. (See subparagraph (3) below).

To price items not sold during the base period and for which price ranges are not provided. (See subparagraph (4) below).

The processor who performs the whole-sale or retail function with respect to the item being priced (that is by warehousing and selling it in less-than-carload quantities, from a branch warehouse owned or controlled by him, to retailers, or to commercial, industrial or institutional users) shall, in each case, figure his maximum price for sales in this manner under the general pricing methods of this paragraph (a) except that he shall not apply the limitations of the price range in any situation covered by this paragraph.

(1) **To price items sold during the base period and for which price ranges are provided.** For sales to purchasers other than government procurement agencies, the processor shall figure his maximum price per dozen containers or other unit, f. o. b. shipping point, of an item which he sold during the base period, and for which a price range is provided, as follows. He shall:

(i) **Determine the base price.** First, the processor shall figure his weighted average price per dozen containers or other unit, f. o. b. shipping point, for the item being priced during the first 60 days after the beginning of the 1941 pack or other base period named in the appendix covering the particular product. (This average price will be called the "base price"). "Weighted average price" means the total gross sales dollars charged for the item during the base period divided by the number of dozens of containers or other units of that item sold. All sales made in the regular course of business during the base period shall be included, regardless of the date of delivery, except sales made to the armed forces of the United States. Sales contracts made at times other than during the base period shall not be included, even though delivery was made during the base period. The processor shall figure a separate weighted average price for each item, except that a single weighted average price shall be figured for items which differ only in brand name. (Subgrades shall also be ignored.)

(ii) **Add the permitted increase.** Next, the processor shall add to the base price the permitted increase named for the item in the applicable appendix. The resulting figure is the processor's "gross maximum price" per dozen containers or other unit, f. o. b. shipping point, for sales to purchasers other than government procurement agencies. **Provided,** That it falls within the applicable price range. However, if it is higher than the highest price named in the price range, the processor's gross maximum price is the highest price named in the price range. Likewise, if it is lower than the lowest price named in the price range, the processor's gross maximum price is the lowest price named in the price range.

(iii) **Subtract any direct subsidy payable per unit of the finished product.** Finally, as to any product for which a subsidy is payable, the processor shall subtract from his gross maximum price the amount of the direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price per dozen containers or other unit, f. o. b. shipping point, for sales

to purchasers other than government procurement agencies.

NOTE: The Commodity Credit Corporation's subsidy program covers certain canned foods as defined in the Definitions and Standards of Identity issued under the Federal Food, Drug and Cosmetic Act, packed from tomatoes, green peas, sweet corn and snap beans grown during the calendar year 1944 and sold and delivered to canners for canning during the period March 1, 1944 to April 30, 1945, inclusive.

Illustrations of how maximum prices are figured under subparagraph (1). Pricing items sold during the base period and for which price ranges are provided. The permitted increase provided in Table 3 of Appendix A (section 18) for processors whose factories are located in Area 3 for No. 2½ size cans of spinach is \$.32. The range of prices in Table 3 for fancy spinach packed in No. 2½ size cans in this area is: lower limit of range \$1.47 and upper limit of range \$1.54.

Example 1. The X Canning Company whose factory is located in Arkansas has figured a weighted average price during the first 60 days after the beginning of the 1941 spring and fall packs of \$1.37 per dozen for fancy spinach packed in No. 2½ size cans. To this figure the company adds \$.32, the permitted increase named in Appendix A (\$1.37 plus \$.32 equals \$1.69). Since this resulting figure of \$1.69 is higher than the upper limit of the price range (\$1.54), the X Canning Company's maximum price for sales to purchasers other than government procurement agencies is \$1.54 per dozen. (No subsidy is payable as to this product).

Example 2. The Y Canning Company whose factory is also located in Arkansas has figured a weighted average price during the first 60 days after the beginning of the 1941 spring and fall packs of \$1.06 per dozen for fancy spinach, packed in No. 2½ cans. To this figure the company adds the permitted increase of \$.32 (\$1.06 plus \$.32 equals \$1.37). Since the resulting figure of \$1.37 is lower than the lowest price named in the price range, the Y Canning Company's maximum price for sales to purchasers other than government procurement agencies is \$1.47 per dozen. (No subsidy is payable as to this product).

Example 3. The Z Canning Company whose factory is located in Arkansas has figured a weighted average price during the first 60 days after the beginning of the 1941 spring and fall packs of \$1.18 per dozen for No. 2½ size cans of fancy spinach. To this figure the company adds \$.32 (\$1.18 plus \$.32 equals \$1.50). Since the resulting figure of \$1.50 falls within the range of prices named for fancy spinach packed in No. 2½ cans in this area, the Z Canning Company's maximum price for sales to purchasers other than government procurement agencies for No. 2½ size cans of fancy spinach is \$1.50 per dozen. (No subsidy is payable as to this product.)

(2) To price items sold during the base period but for which price ranges are not provided.

NOTE: In making conversions for grade, for style of pack, and for container type and size under subparagraph (2), (3) or (4), as a general rule steps in figuring the maximum price are to be taken in the following order (any variation from this order will be explained in the applicable appendix):

1. Convert for container type and size
2. Convert for style
3. Convert for grade
4. Add the permitted increase
5. Apply the limitations of the price range
6. Convert for grade
7. Convert for style
8. Convert for container type and size
9. Subtract any direct subsidy payable per unit of the finished product.

For sales to purchasers other than government procurement agencies the processor shall figure his maximum price per dozen containers or other unit, f. o. b. shipping point, of an item which he sold during the base period, and for which a price range is not provided, as follows. He shall:

(i) Construct a base price. First, the processor shall figure his weighted average price for the item being priced in the manner provided in paragraph (a) (1) (i), above. He shall then convert this weighted average price by container type and size, by style and by grade, in the order named) to a base price for an item with an established price range which is nearest in container size to the item being priced, by applying the conversion factors named in the applicable appendix.

(ii) Add the permitted increase. Next, the processor shall add to the constructed base price the appropriate permitted increase named in the applicable appendix and apply to this figure the limitations of the applicable price range.

(iii) Convert to a gross maximum price for the item being priced. Next, the processor shall convert the price so figured (by grade, by style and by container type and size, in the order named) to a gross maximum price for the item being priced, by applying the conversion factors named in the applicable appendix.

(iv) Subtract any direct subsidy payable per unit of the finished product. Finally, the processor shall subtract any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies.

Illustrations of how maximum prices are figured under subparagraph (2)—Pricing items sold during the base period but for which price ranges are not provided:

Example 4. The B Canning Company whose factory is located in New York sold RSP cherries packed in water in No. 303 cans during the base period. It is now pricing RSP cherries in water in No. 303 cans. Since Table 3 in Section 18, Appendix A, does not provide a permitted increase and price range for No. 303 cans, the company must convert its weighted average price for the No. 303 size cans of the product to a base price for the nearest container size for which a price range is provided, which in this case is the No. 2 size cans. The company has figured a weighted average price during the base period for RSP cherries packed in No. 303 cans of \$1.25. To convert this figure to a No. 2 size can, it multiplies it by 1.15 the conversion factor named in Table 5 of Appendix A (\$1.25 times 1.15=\$1.4375). To this figure the company adds \$.53 the permitted increase named in Table 5. (\$1.4375 plus \$.53=\$1.9675). Since this figure is lower than the lowest price named in the price range for No. 2 size cans of the product, it uses \$1.97 the lowest price in the range, to continue its computations. It now converts the figure \$1.97 to a maximum price for the No. 303 size can by multiplying it by .87 the conversion factor named in Table 5 for converting to a No. 303 size can (\$1.97 times .87=\$1.7139). The B Canning Company's maximum price for sales to purchasers other than government procurement agencies for No. 303 cans of RSP cherries in water is \$1.71. (Subparagraph (iv) is not used in figuring

the maximum price as to this product as no subsidy is payable on it).

(3) To price items not sold during the base period but for which price ranges are provided. (See note at beginning of subparagraph (3)). For sales to purchasers other than government procurement agencies, the processor shall figure his maximum price per dozen containers or other unit, f. o. b. shipping point, of an item which he did not sell during the base period, but for which a price range is provided, as follows. He shall:

(i) Construct a base price. First, the processor shall select from the items of the product which he sold in the base period that item which is nearest in container size to the item being priced and figure its weighted average price in the manner provided in subdivision (a) (1) (i), above. He shall then convert this weighted average price (by container type and size, by style and by grade, in the order named) to a base price for the item being priced, by applying the conversion factors named in the applicable appendix.

(ii) Add the permitted increase. Next, the processor shall add to the constructed base price the appropriate permitted increase named in the applicable appendix and apply to this figure the limitations of the applicable price range.

(iii) Subtract any direct subsidy payable per unit of the finished product. Finally, the processor shall subtract any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies.

Illustrations of how maximum prices are figured under subparagraph (3)—Pricing items not sold during the base period but for which price ranges are provided:

Example 5. The C Canning Company whose factory is located in Michigan is now pricing standard, water pack RSP cherries packed in No. 2 cans. During the base period 1941 this company sold RSP cherries of the following grades, styles of pack, and container types and sizes:

Fancy RSP cherries 30" syrup in 303 cans.
Standard RSP cherries in water in #10 cans.

The C Company selects the No. 303 size cans of RSP cherries because it is the nearest in container size to the No. 2 size can which it is now pricing and figures its weighted average price to be \$1.52. The company then converts this weighted average price for the No. 303 can to a base price for the No. 2 can by multiplying it by 1.15 the conversion factor named in Table 5 of Appendix A for converting from a No. 303 can to a No. 2 can. (\$1.52 times 1.15=\$1.7480). The resulting figure \$1.7480 is a base price for No. 2 size cans of Fancy RSP cherries, 30" syrup. However, since the company is pricing #2 size can of Standard, Water pack RSP cherries, it must subtract from \$1.7480 the differentials for syrup and grade specified in Tables 6 and 7 of Appendix A. (These are \$0.20 for grade differences between fancy and standard; and \$0.15 for syrup.) (\$1.7480 minus \$0.35=\$1.3980.) To this base price the C Company adds \$0.72 the permitted increase named in Table 3 of Appendix A for Area 2 (\$1.3980+\$0.72=\$2.1180). Since the resulting figure is within the price range for Area 2, the company's maximum price is \$2.12 for sales to purchasers other than government procurement agencies. (Subtraction of a subsidy is not involved as to this product.)

(4) To price items not sold during the base period and for which price ranges are not provided. (See note at beginning of subparagraph (3)).

Two different situations are involved when pricing under this subparagraph.

For sales to purchasers other than government procurement agencies, the processor shall figure his maximum price per dozen containers or other unit, f. o. b. shipping point, of an item not sold during the base period, and for which a price range is not provided, as follows.

First situation: If during the base period the processor sold any of the items (of the same product) for which price ranges are provided, he shall figure his maximum price per dozen containers or other unit f. o. b. shipping point, for sales to purchasers other than government procurement agencies, as follows. He shall:

(i) *Construct a base price.* First, the processor shall select from the items sold during the base period that item for which a price range is provided which is nearest in container size to the item being priced and figure its weighted average price in the manner provided in subdivision (a) (1) (i), above.

(ii) *Add the permitted increase.* Next, the processor shall add to the constructed base price the appropriate permitted increase and apply to this figure the limitations of the applicable price range.

(iii) *Convert to a gross maximum price for the item being priced.* Next, the processor shall convert the price so figured for the selected item (by grade, by style, and by container type and size, in the order named) to a gross maximum price for the item being priced, by applying the conversion factors named in the applicable appendix.

(iv) *Subtract any direct subsidy payable per unit of the finished product.* Finally, the processor shall subtract any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies.

Second situation: If during the base period the processor did not sell any of the items (of the same product) for which price ranges are provided, he shall figure his maximum price per dozen containers or other unit f. o. b. shipping point, for sales to purchasers other than government procurement agencies, as follows. He shall:

(i) *Construct a base price.* First, the processor shall select from the items of the product which he sold in the base period that item which is nearest in container size to the item being priced and figure its weighted average price in the manner provided in subdivision (a) (1) (i) above. He shall then convert this weighted average price (by container type and size, by style and by grade, in the order named) to a weighted average price for the item nearest in container size for which a price range is provided by applying the conversion factors named in the applicable appendix.

(ii) *Add the permitted increase.* Next, the processor shall add to the constructed base price the appropriate permitted increase named in the applicable appendix and apply to this figure the limitations of the applicable price range.

(iii) *Convert to a gross maximum price for the item being priced.* Next, the processor shall convert the price so figured for the selected item (by grade, by style, and by container type and size, in the order named) to a gross maximum price for the item being priced, by applying the conversion factors named in the applicable appendix.

(iv) *Subtract any direct subsidy payable per unit of the finished product.* Finally, the processor shall subtract any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies.

Illustrations of how maximum prices are figured under subparagraph (4). Pricing items not sold during the base period and for which price ranges are not provided:

First situation

Example 6. The E Canning Company whose factory is located in Oregon is now pricing No. 1 (picnic) cans of standard spinach. During the base period 1941, this company sold spinach of the following grades, and container types and sizes:

Fancy spinach packed in No. 2 cans.

Fancy spinach packed in No. 10 cans.

The E Company selects the No. 2 can because it is the nearest container size for which a price range is provided to the No. 1 (picnic) can which is being priced. It then figures the weighted average price for the No. 2 can to be \$.95 per dozen. To this figure the company adds \$.36 the permitted increase named in Table 3, Appendix A, of section 16, (\$.95 plus \$.36 = \$1.31). Since this figure is lower than the lowest price named for fancy spinach in Area 2, the company uses \$1.36, the lowest price in the price range, to continue its computation. The company subtracts \$.10, the difference between Fancy and Standard grades of spinach named in Table 7 of Appendix A, from \$1.36, (\$1.36 minus \$.10 = \$1.26). This figure is then converted to a maximum price for the No. 1 (picnic) can being priced by multiplying it by .65 the conversion factor named in Table 5, Appendix A for converting from a No. 2 to a 1 (picnic) can. (\$1.26 times .65 = \$.8190). The E Company's maximum price for No. 1 (picnic) cans of Standard spinach is \$.82 per dozen for sales to purchasers other than government procurement agencies. (Subtraction of a subsidy is not involved as to this product.)

Second situation

Example 7. The D Canning Company whose factory is located in Oregon is now pricing 8 ounce size cans of Fancy spinach. During the base period, 1941, this company sold spinach of the following grades, and container types and sizes.

Fancy spinach packed in No. 2½ cans.

Standard spinach packed in No. 1 (picnic) cans.

The D Company selects the No. 1 (picnic) can because it is nearest in container size to the 8 ounce size can which it is now pricing and figures its weighted average price to be \$.70 per dozen. The company then converts this weighted average price for the No. 1 (picnic) can to a constructed base price for the No. 2½ can by multiplying it by 1.54 the conversion factor named in Table 5, Appendix A, of section 15 for converting from a No. 1 (picnic) can to a No. 2½ can (\$.70 times 1.54 = \$1.0780). The resulting figure is a base price for No. 2½ size cans of Standard spinach. To this figure the company adds \$.10 (\$1.0780 plus \$.10 = \$1.1780) the differential between grades named in Table 7 of Appendix A. Next the company adds \$.36 the permitted increase named in Table 3 for Area 2. (\$1.1780 plus \$.36 = \$1.5380.) Since this figure falls within the price range for fancy spinach packed in No. 2½ cans, the company uses it to continue its computation. The company then converts this figure for the No. 2½ size can to a maximum price for the 8 ounce size can which is being priced by multiplying it by .60 the conversion factor named in Table 5 of Appendix A for converting from a No. 2½ can to an 8 ounce size can. (\$1.5380 times .60 = \$.9228). The resulting figure is the D Company's maximum price for sales to purchasers other than government procurement agencies. (Subtraction of a subsidy is not involved as to this product.)

(b) *Products not sold during the base period.* For any product which was not sold in the base period, the processor shall figure his maximum price per dozen containers or other unit of the item, f. o. b. factory, for sales to purchasers other than government procurement agencies, in the following manner:

(i) *Grades, styles and container types and sizes for which specific dollars-and-cents prices are provided.* If the grade, style and container type and size of the item being priced is one for which a specific dollars-and-cents price is provided, the processor shall in each case:

(1) Take the specific dollars-and-cents price named for the item in the applicable appendix (this figure is the processor's gross maximum, f. o. b. factory), and

(ii) Subtract from it any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies. For a processor who performs the wholesale or retail function, this price shall be considered a "dollars-and-cents" maximum price for the purpose of section 10 (b).

(2) *Grades, styles and container types and sizes for which specific dollars-and-cents prices are not provided.* If the grade, style and container type and size of the item being priced is one for which a specific dollars-and-cents price is not provided, the processor shall in each case,

(i) Take the specific dollars-and-cents price named in the applicable appendix for that container size (of the same product) which is nearest in size to the item being priced.

(ii) Convert the resulting figure (by grade, by style and by container type and size, in the order named) to a gross maximum price for the item being priced, by applying the conversion factors named in the applicable appendix.

(iii) Subtract from it any direct subsidy payable per unit of the finished product.

The resulting figure is the processor's maximum price for sales to purchasers other than government procurement agencies. For a processor who performs the wholesale or retail function, this price shall be considered a "dollars-and-cents" maximum price for the purpose of section 10 (b).

(c) *Maximum prices figured on the basis of subgrades.* A processor who meets the conditions of section 11 (a) as to any item may, if he elects, figure maximum prices for the item on the basis of subgrades. Any such election applies only to that part of the pack which he has not sold and delivered prior to the filing of his election. When he makes this election as to any item, the processor may sell it at whatever prices he pleases, subject to the following limitations:

(1) The maximum price for his entire pack of the item shall not be higher than his maximum price for the item figured without regard to subgrades multiplied by the number of units sold.

(2) No selling price for any subgrade of the item shall be higher than the top of the price range applicable to the item.

(3) The processor shall not sell on the basis of subgrades, at prices higher than his maximum price for the item figured without regard to subgrades, until he has filed with the Office of Price Administra-

tion, Washington, D. C., a statement of his election naming (i) each subgrade and the proportion of his pack of the item which he elects to sell under it, (ii) the highest price at which he elects to sell each subgrade, (iii) the actual or anticipated amount of his pack of the item, and (iv) his maximum price for the item figured without regard to subgrades. If he names an anticipated amount of pack, he shall file a supplementary statement showing his actual pack of the item, within 10 days after its completion.

(4) The number of units sold in the highest-priced subgrade shall not exceed the total number of units included in that subgrade in the seller's statement of election, and the maximum price for the entire subgrade shall be the price stated therein for that subgrade multiplied by the number of units sold. The number of units sold in the next highest-priced subgrade shall not exceed the total number of units included in that subgrade in the seller's statement of election, plus the number of units, if any, included for the highest-priced subgrade which are sold at or below the price stated for the next highest-priced subgrade, and the maximum price for the entire subgrade, plus such additional units, if any, shall be the price stated for that subgrade multiplied by the number of units sold, plus such additional units, if any. The above rule shall apply to determine the total number of units which may be sold in any lower-priced subgrade and to determine the maximum price for any such subgrade.

Sec. 6. Maximum price for sales by processors—Pricing Method No. 2. The details of Pricing Method No. 2 and the products covered by it will be announced later.

Sec. 7. Maximum prices for secondary processors and repackers. The secondary processor or repacker shall figure his maximum prices per dozen containers or other unit, f. o. b. shipping point, for those products which are purchased by him in bulk, barrels or other large containers and further processed or repacked in other containers, in each case by adding to his maximum price for the item being priced, as established under the General Maximum Price Regulation, the difference between his customary supplier's maximum price under § 1499.2 of that regulation and his maximum price for the item, f. o. b. shipping point, as figured under this supplement, converted to the same units and adjusted where necessary to include incoming freight.

Sec. 8. Maximum prices for sales by processors of prior years' packs of listed products which have been sold to them by government agencies. The maximum price for sales by a processor, to purchasers other than government procurement agencies, of that portion of an item of any product listed in section 5 or 6 of this supplement, which was packed prior to 1944 and which has been sold to the processor by a government agency, shall be that processor's maximum price, f. o. b. shipping point, as established under this supplement for the same item when

packed in 1944. However, differences in brand shall be ignored.

Sec. 9. Label and labor allowances. (a) Label and labor allowances shall be made by processors in the following circumstances and in the following amounts:

(1) When the processor sells any item covered by this supplement, unlabeled or labeled with labels supplied by the purchasers, in containers no greater in content than a No. 10 can, the maximum price established under this supplement shall be reduced by \$1.50 per thousand labels used (label allowance).

(2) When any item covered by this supplement is sold unlabeled in containers no greater in content than a No. 10 can, the maximum price established under this supplement shall be reduced by one cent per case (labor allowance) in addition to the allowance provided in subparagraph (1), above.

(b) In each sale to a purchaser other than a government procurement agency, where a processor makes an allowance for labels or labor under this section, he shall separately state the selling price and the amount and nature of the allowance on the invoice accompanying the sale.

Sec. 10. Provisions of Article II of Food Products Regulation No. 1 applicable to this supplement. The following provision of Food Products Regulation No. 1 are applicable to this supplement:

(a) Maximum prices for products in new container types or sizes (sec. 2.3 of FPR 1). This section shall also apply to secondary processors.

(b) Adjustment of dollars-and-cents maximum prices for processors who perform the wholesale or retail function (sec. 2.3 of FPR 1). This section applies to maximum prices figured under Section 5 (b).

(c) Elective pricing method for processor (sec. 2.4 of FPR 1). The maximum "mark-up percentage" figure is 175%.

(d) Individual authorization of maximum prices (sec. 2.5 of FPR 1). This section shall also apply to secondary processors.

(e) When the seller must figure a delivered price (sec. 2.6 of FPR 1). However, when figuring a delivered price, any processor whose transportation charges during the period January 1, 1941 to March 17, 1942 was based on the use of his own trucks, or on the use of ocean freight, and who is now compelled to use a common or contract carrier, or a different type of common or contract carrier, may add transportation charges by the new means of transportation to the same destination but under the freight tariff classification, and at the rate in effect during that period.

(f) Uniform prices where the processor or repacker has more than one factory (sec. 2.7 of FPR 1).

(g) Uniform delivered prices where the seller has customarily been selling on an f. o. b. shipping point basis (sec. 2.8 of FPR 1).

(h) Maximum prices for sales by primary distributors (sec. 2.9 of FPR 1). The maximum markup is 8%.

(i) Maximum prices for sales by distributors who are not primary distributors, wholesalers or retailers (sec. 2.10 of FPR 1).

(j) Payment of brokers (sec. 2.11 of FPR 1).

(k) Maximum prices for sales to government procurement agencies in certain cases (sec. 2.12 of FPR 1). The amount of the subsidy payable per unit of the finished

product is set forth in the appendix covering the product.

(l) Special packing expenses which may be reflected in maximum prices for sales to government procurement agencies (sec. 2.13 of FPR 1).

(m) Treatment of federal and state taxes (sec. 2.14 of FPR 1).

(n) Units of sale and fractions of a cent (sec. 2.15 of FPR 1).

(o) Maintenance of customary discounts and allowances (sec. 2.16 of FPR 1).

ARTICLE III—MISCELLANEOUS PROVISIONS

Sec. 11. Grades and invoices. This section applies to all sellers covered by this supplement whether the goods are packed by them or purchased by them for resale.

(a) "Grade" means the established grade as commercially understood—for example, in the case of canned peas, standard, extra-standard and fancy. The Price Administrator finds that the most accurate and complete description of each of these grades is contained in the United States Standards for Grades of processed fruits and vegetables published by the United States Department of Agriculture. The sale of any processed fruit, vegetable, or berry at a price no higher than the seller's maximum price for the claimed grade thereof shall constitute compliance with this regulation, therefore, if the goods conform to the United States Standards for that grade. Failure of such goods to conform to the United States Standards for such grade shall constitute a violation of this regulation: *Provided, however,* That despite such failure the sale shall not constitute a violation of this regulation if it appears that the standards as generally understood in the trade differ in any material respect from the United States Standards and that the goods meet the requirement of the claimed grade as so understood in the trade.

"Subgrade" means a subdivision of a grade, determined in each case according to the regularly established way, during the base period, in which the particular processor reflected differences in quality (within that grade) in different selling prices for the item. Whether the processor had such a practice during the base period shall be determined from his invoices, and no processor who does not meet these conditions shall figure maximum prices for the item on the basis of subgrades.

If the particular processor's individual subgrade falls into more than one grade, as defined above, the individual subgrade shall be divided according to the commercial grades into which it falls.

(b) In the case of canned fruits packed in California, Oregon or Washington, paragraph (a) shall apply, except that the count range of the Canners League of California Specifications for California Canned Fruits shall be an element in grade determination for pricing purposes.

(c) A person who purchases from a processor shall not be subject to any criminal penalty or civil enforcement action under the Emergency Price Control Act of 1942, as amended, in connection with the resale of any item for failure of the item to conform to the grade

(and subgrade, if any) designated on the invoices, provided he can establish that he relied in good faith upon the grade designation on the invoice furnished him by the processor.

(d) On and after July 31, 1944, each processor shall furnish the purchaser, other than a government procurement agency, at or before the time of delivery, with an invoice describing the item and separately stating its grade and subgrade, if any. In addition, he shall also show the syrup or packing medium of any fruits or berries sold.

(e) Nothing in this supplement shall be construed to change any of the requirements of the Federal Food, Drug and Cosmetic Act, or any regulation issued under it.

Sec. 13. *Container sizes.* When used in this supplement the containers named below refer to containers of the dimensions or overflow capacity indicated.

METAL CONTAINERS

Name of container:	Dimensions
8 oz.—6 Z.....	302 x 308
8 oz.—8 Z Short.....	211 x 300
No. 55.....	211 x 300
8 Z Tall.....	211 x 304
No. 1 Picnic.....	211 x 400
No. 211 Cyl.....	211 x 414
No. 300.....	300 x 407
No. 300 Cyl.....	300 x 509
No. 1 Tall.....	301 x 411
No. 303.....	303 x 406
No. 303 Cyl.....	303 x 509
No. 95.....	307 x 400
No. 2 Vacuum.....	307 x 306
No. 2.....	307 x 400
No. 2 Cyl.....	307 x 512
No. 2½.....	401 x 411
No. 3 Vacuum.....	404 x 307

Name of container:	Dimensions
No. 3 Cyl.....	404 x 700
No. 10.....	608 x 700
No. 1 Square.....	300 x 308 x 308
No. 2½ Square.....	300 x 308 x 304

GLASS CONTAINERS

Size:	Overflow capacity oz.
No. 303.....	17.03
No. 2½.....	28.375
No. 10.....	105.6

Sec. 13. *Reports which processors must file.* (To be announced.)

Sec. 14. *Provisions of Article III of Food Products Regulation No. 1 applicable to this supplement.* The following provisions of Food Products Regulation No. 1 are applicable to this supplement:

- Restrictions on sales to primary distributors (Section 3.1 of FPR 1).
- Storage (sec. 3.3 of FPR 1).
- Export sales (sec. 3.4 of FPR 1).
- Notification of new maximum price (sec. 3.5 of FPR 1). However, for the purpose of this section only, different subgrades of the same grade shall constitute separate items.
- Records which must be kept (sec. 3.6 of FPR 1).
- Sales slips and receipts (sec. 3.8 of FPR 1).
- Transfer of business or stock in trade (sec. 3.9 of FPR 1).
- How a figured maximum price is established and how an established maximum price may be changed (sec. 3.10 of FPR 1).
- Adjustable pricing (sec. 3.11 of FPR 1).
- Compliance with the applicable supplement (sec. 3.12 of FPR 1).
- Application for adjustment by sellers who have been found to have violated the Robinson-Patman Act (sec. 3.14 of FPR 1).

- Applications for adjustment and petitions for amendment based on wage or salary increases requiring approval of the National War Labor Board (sec. 3.15 of FPR 1).
- Petitions for amendment (sec. 3.16 of FPR 1).

ARTICLE IV—PRICING APPENDICES

Sec. 15. *Appendices for packed vegetables priced under Pricing Method No. 1.*

APPENDIX A—SPINACH

TABLE 1—AREAS

- California.
- Washington and Oregon.
- Arkansas, Texas, Oklahoma, Missouri.
- Mississippi, Louisiana.
- Maryland, Virginia, Delaware, New Jersey, Southern Pennsylvania.*
- All other states or areas.

TABLE 2—BASE PERIOD PRICES

Areas 1 and 2: Weighted average selling price for first 60 days after beginning of 1941 spring pack.

All other areas: Weighted average selling price for first 60 days after beginning of 1941 spring and fall packs.

* *Notes:* The following counties are included in Southern Pennsylvania: Elk, Cameron, Clinton, Lycoming, Sullivan, Wyoming, Lackawanna, Pike, Monroe, Luzerne, Columbia, Montour, Union, Centre, Clearfield, Jefferson, Clarion, Butler, Lawrence, Beaver, Armstrong, Indiana, Allegheny, Washington, Greene, Fayette, Westmoreland, Somerset, Cambria, Blair, Bedford, Huntingdon, Fulton, Franklin, Mifflin, Snyder, Juniata, Perry, Cumberland, Adams, Dauphin, York, Northumberland, Lebanon, Schuylkill, Carbon, Northampton, Lehigh, Berks, Lancaster, Bucks, Montgomery, Chester, Delaware, Philadelphia.

TABLE 3—PERMITTED INCREASES AND PRICE RANGES PER DOZEN CONTAINERS FOR PROCESSORS OF PACKED SPINACH WHO MADE SALES DURING THE BASE PERIOD

Area	No. 2 cans				No. 2½ cans				No. 10 cans			
	Permitted increase	Price ranges			Permitted increase	Price ranges			Permitted increase	Price ranges		
		Fancy	Ex. Standard	Standard		Fancy	Ex. Standard	Standard		Fancy	Ex. Standard	Standard
1.....	\$0.30	\$1.20-\$1.44	\$1.10-\$1.30	\$1.10-\$1.34	\$0.30	\$1.45-\$1.73	\$1.30-\$1.67	\$1.25-\$1.61	\$1.15	\$4.76-\$5.76	\$4.60-\$5.66	\$4.30-\$5.30
2.....	.35	1.25-1.50	1.31-1.54	1.26-1.49	.40	1.64-1.92	1.50-1.86	1.35-1.80	1.30	5.38-6.30	5.19-6.10	4.99-5.90
3.....	.34	1.12-1.17	1.07-1.12	1.03-1.07	.32	1.47-1.54	1.40-1.47	1.34-1.41	1.07	4.81-5.00	4.61-5.40	4.41-5.20
4.....	.40	1.37-1.32	1.22-1.27	1.17-1.22	.52	1.67-1.74	1.60-1.67	1.54-1.61	1.75	5.40-6.18	5.20-5.98	5.00-5.78
5.....	.52	1.43-1.06	1.38-1.61	1.33-1.36	.60	1.80-2.18	1.83-2.13	1.76-2.06	2.20	6.65-7.17	6.45-6.97	6.35-6.77
6.....	.30	1.20-1.81	1.15-1.76	1.10-1.71	.30	1.45-2.18	1.30-2.13	1.33-2.06	1.18	4.76-7.17	4.56-6.97	4.36-6.77

TABLE 4—SPECIFIC DOLLAR-AND-CENTS MAXIMUM PRICES FOR PROCESSORS WHO WERE NOT IN BUSINESS DURING 1941 OR WHO MADE NO SALES OF PACKED SPINACH DURING THE BASE PERIOD

(Dollars per dozen)

Area	No. 2 can			No. 2½ can			No. 10 can			Area	No. 2 can			No. 2½ can			No. 10 can		
	Fancy	Extra standard	Standard	Fancy	Extra standard	Standard	Fancy	Extra standard	Standard		Fancy	Extra standard	Standard	Fancy	Extra standard	Standard	Fancy	Extra standard	Standard
1.....	\$1.32	\$1.27	\$1.22	\$1.30	\$1.23	\$1.17	\$5.06	\$5.06	\$4.86	4.....	\$1.30	\$1.25	\$1.20	\$1.71	\$1.64	\$1.58	\$5.64	\$5.64	\$5.44
2.....	1.48	1.43	1.38	1.78	1.72	1.66	5.84	5.64	5.44	5.....	1.54	1.49	1.44	2.03	1.97	1.91	6.91	6.71	6.51
3.....	1.15	1.10	1.05	1.51	1.44	1.38	5.31	5.01	4.81	6.....	1.51	1.46	1.41	1.82	1.76	1.70	5.97	5.77	5.57

TABLE 5—CONVERSION FACTORS METAL CONTAINERS
(Part 1) Areas 1, 2, and 3

To convert from a can size in this column	To a can size listed at the head of a column below, multiply by the appropriate conversion factor					
	8 oz.	No. 1 picnic	No. 1 tall	No. 2	No. 2½	No. 10
8 oz.				1.00	2.00	6.50
No. 1 picnic				1.64	1.45	6.07
No. 1 tall				1.17	1.41	4.82
No. 2	.60	.65	.86		1.30	3.95
No. 2½	.60	.64	.71	.83		3.28
No. 10	.15	.16	.22	.28	.30	

(Part 2) Areas 3 and 4

To convert from a can size in this column	To a can size listed at the head of a column below, multiply by the appropriate conversion factor					
	8 oz.	No. 1 picnic	No. 1 tall	No. 2	No. 2½	No. 10
8 oz.		1.09	1.43	1.75	2.23	7.91
No. 1 picnic	.92		1.32	1.61	2.13	7.22
No. 1 tall	.70	.78		1.22	1.61	5.56
No. 2	.67	.62	.82		1.32	4.54
No. 2½	.63	.67	.82	.76		3.44
No. 10	.13	.14	.18	.22	.26	

(Part 3) Area 5

To convert from a can size in this column	To a can size listed at the head of a column below, multiply by the appropriate conversion factor					
	8 oz.	No. 1 picnic	No. 1 tall	No. 2	No. 2½	No. 10
8 oz.		1.09	1.43	1.84	2.00	7.14
No. 1 picnic	.92		1.32	1.41	1.45	6.07
No. 1 tall	.60	.78		1.06	1.30	5.00
No. 2	.65	.71	.94		1.31	4.72
No. 2½	.60	.64	.72	.76		3.64
No. 10	.14	.15	.20	.21	.26	

TABLE 6—CONVERSION FROM TIN TO GLASS

If you can figure a price for a can size in this column	To get a price for a glass container size in this column
No. 2½ can	2½ glass—add \$0.15 per dozen.
No. 3½ can	3½ glass—subtract \$0.15 per dozen.

TABLE 7—GRADE DIFFERENTIALS

	Differentials between successive grades (per dozen)		
	No. 2	No. 2½	No. 10
Fancy and Extra Standard	\$0.05	\$0.0625	\$0.20
Extra Standard & Standard	.05	.0625	.20
Standard & Substandard	.10	.1250	.40

APPENDIX B—ASPARAGUS

Explanation and example of how maximum prices are figured for asparagus. In making conversions for grade, for style of pack, and for container type and size, under subparagraph (2), (3) or (4) of the supplement in the case of asparagus the order in which the steps in figuring the maximum price are to be taken differ from those specified in the note at the beginning of section 5 (a) (2) of the supplement. In figuring a maximum price under subparagraph (2), (3) or (4) for asparagus steps are to be taken in the order indicated below in all cases, although in many cases not all of the steps are necessary. In all cases, where the processor is figuring a maximum price for a different style of pack of asparagus than packed in the base period, he must add the permitted increase for the same style of pack as packed in the base period before converting for the change in style for the reason that the permitted increases for all styles of pack are different. Order in which steps are to be taken in figuring a maximum price for asparagus under subparagraph (2), (3) and (4) of section 5 (a).

1. Convert for container type and size.
2. Add permitted increase specified in Table 3 for style of pack sold in base period.
3. Convert for style.
4. Convert for grade.
5. Apply the limitations of the price range.
6. Convert for container types and size.

Example. The A Canning Company whose factory is located in Washington sold Fancy, All Green Colossal Asparagus Spears in #1 picnic cans during the base period. This company is now pricing Standard All Green Cut Spears in 8 oz. cans.

The A company figures its weighted average price for No. 1 picnic cans during the base period to be \$1.95 per dozen. The company then converts this figure to a base price for a No. 2 can, the nearest container size for which a price range is provided by multiplying it by 1.60 the conversion factor named in Table 5 (part 2) for converting from a No. 1 picnic to a No. 2 can (\$1.95×1.60=\$3.12). To this figure the company adds the permitted increase of \$0.90 specified in Table 3 (part 2) for this area for all Green Colossal Spears in No. 2 cans. (\$3.12 plus \$0.90=\$4.02). From this figure the company subtracts \$.50 the style difference between All Green Colossal Spears and Cut Spears specified in Table 6 (part 2) (\$4.02—\$.50=\$3.52). From the resulting figure the company subtracts 30¢ the grade difference between Fancy and Standard specified in Table 7. (\$3.52—20¢=\$3.32). The company then checks this figure to see if it falls within the price range specified in Table 3 (part 2) for All Green Cut Spears, Standard Grade in No. 2 cans for Area 2. Since the resulting figure is higher than the highest price named in the range for this item, the company used \$2.79 the highest price named in the price range, to continue its computation. The company then converts this figure to a maximum price for the 8 oz. size can which is being priced by multiplying it by .46 the conversion factor named in Table 5 (part 2) for converting from No. 2 can to an 8 oz. can (\$2.79 times .46=\$1.2834). The A company's maximum price for sales to purchasers other than government procurement agencies for All Green Cut Spears Standard Grade packed in 8 oz. cans is \$1.28 per dozen.

TABLE 1—AREAS

1. California.
2. Washington and Oregon.
3. Illinois, Michigan, Minnesota, Iowa, Nebraska, Wisconsin, Ohio and Indiana.
4. New Jersey, Delaware and Maryland.
5. All other states.

TABLE 2—BASE PERIOD PRICES (ALL AREAS)

Weighted average selling price for the first 60 days after the beginning of the 1941 pack.

TABLE 3—PERMITTED INCREASES AND PRICE RANGES PER DOZEN CONTAINERS FOR PROCESSORS OF PACKED ASPARAGUS WHO MADE SALES DURING THE BASE PERIOD

PART 1: AREA 1

Item No. and variety	Style and size	No. 2 can		No. 2½ can		No. 10 can	
		Per- mitted in- crease	Price ranges		Per- mitted in- crease	Price ranges	
			Fancy	Standard		Fancy	Standard
All green							
1.	Whole Spears:						
2.	Colossal	\$0.25	\$2.75—\$3.04	\$2.50—\$3.04			
3.	Mammoth	.80	3.00—3.79	3.40—3.50			
4.	Large	.75	3.50—3.60	3.30—3.40			
5.	Medium	.65	3.27—3.45	3.17—3.25			
6.	Small	.55	3.15—3.25	2.95—3.05			
	Blended Spears:						
7.	Mammoth/Large	.78	3.64—3.74	3.44—3.54			
8.	Med./Large/Med.	.73	3.55—3.64	3.35—3.44			
9.	Large/Medium	.70	3.48—3.57	3.28—3.37			
10.	Medium/Small	.60	3.28—3.35	3.08—3.15			
11.	Cut Spears:	.54	3.00—3.08	2.80—2.88			
12.	Center Cuts	.39		1.25—1.33	\$2.02	\$15.24—\$15.04	\$14.24—\$14.04
13.	Soup Cuts	.48		2.74—2.82	.04	6.20—6.00	
14.	Sliced points	.88	4.10—4.24	3.90—4.04	2.22	12.07—12.33	
					4.06	19.30—19.60	18.20—18.60
Other than all green							
15.	Whole Spears:						
16.	Colossal	.55	2.94—3.02	2.74—2.82			
17.	Mammoth	.55	2.94—3.02	2.74—2.82			
18.	Large	.55	2.94—3.02	2.74—2.82			
19.	Medium	.55	2.91—2.99	2.71—2.79			
20.	Small	.50	2.74—2.82	2.64—2.62			

TABLE 2—PERMITTED INCREASES AND PRICE RANGES PER DOZEN CONTAINERS FOR PROCESSORS OF PACKED ASPARAGUS WHO MADE SALES DURING THE BASE PERIOD—Continued

(PART 1) AREA 1

Item No. and variety	Style and size	No. 2 can		No. 3½ can		No. 10 can	
		Permitted increase	Price ranges		Permitted increase	Price ranges	
			Fancy	Standard		Fancy	Standard
19.	Blended Spears:						
20.	Mammoth/Large	.56	2.94-3.09	2.74-2.83			
21.	Mam./Large/Med.	.56	2.90-3.01	2.73-2.81			
22.	Large/Medium	.56	2.90-3.01	2.73-2.81			
23.	Medium/Small	.56	2.90-2.91	2.69-2.71			
24.	Cut Spears	.80	2.92-2.99	2.72-2.79			
25.	Center Cuts	.15			2.43	12.50-12.84	11.50-11.84
26.	Soup Cuts	.45	2.10-2.18	2.05-2.08	2.10	9.71-9.87	8.95-9.09
27.	Saled Points	.78	3.90-4.07	3.75-3.87	2.00	18.35-18.85	17.35-17.85

(PART 2) AREA 2

Item No. and variety	Style and size	No. 2 can		No. 10 can	
		Permitted increase	Price ranges		Permitted increase
			Fancy	Standard	
1.	All green				
2.	Whole Spears:				
3.	Colossal	\$0.90	\$3.41-\$3.51	\$3.21-\$3.31	
4.	Mammoth	.88	3.38-3.48	3.18-3.28	
5.	Large	.86	3.35-3.45	3.15-3.25	
6.	Medium	.84	3.32-3.42	3.12-3.22	
7.	Small	.82	3.29-3.39	3.09-3.19	
8.	Blended Spears:				
9.	Mammoth/Large	.87	3.36-3.46	3.16-3.26	
10.	Mammoth/Large/Med.	.86	3.33-3.43	3.13-3.23	
11.	Large/Medium	.85	3.30-3.40	3.10-3.20	
12.	Medium/Small	.83	3.27-3.37	3.07-3.17	
13.	Cut Spears	.78	3.05-3.15	2.85-2.95	
14.	Center Cuts	.43	2.90-2.99	2.75-2.79	\$3.70
15.	Soup Cuts	.55	2.10-2.18	2.04-2.10	2.00

(PART 3) AREA 3

Item No. and variety	Style and size	No. 2 can		No. 10 can	
		Permitted increase	Price ranges		Permitted increase
			Fancy	Standard	
1.	All green				
2.	Whole Spears:				
3.	Colossal	\$0.80	\$3.35-\$3.90	\$3.35-\$3.70	
4.	Mammoth	.85	3.05-3.77	3.45-3.57	
5.	Large	.81	3.45-3.55	3.35-3.35	
6.	Medium	.77	3.35-3.35	3.05-3.15	
7.	Small	.73	3.05-3.17	2.95-2.97	
8.	Blended Spears:				
9.	Mammoth/Large	.83	3.34-3.65	3.34-3.45	
10.	Mammoth/Large/Med.	.81	3.44-3.55	3.34-3.35	
11.	Large/Medium	.79	3.34-3.45	3.15-3.25	
12.	Medium/Small	.75	3.17-3.25	2.97-3.05	
13.	Cut Spears	.78	2.71-2.77	2.61-2.67	\$3.70
14.	Center Cuts	.80		2.07-2.15	2.30

(PART 4) AREA 4

Item No. and variety	Style and size	No. 2 can		No. 10 can	
		Permitted increase	Price ranges		Permitted increase
			Fancy	Standard	
1.	All green				
2.	Whole Spears:				
3.	Colossal	\$1.14	\$3.67-\$3.81	\$3.47-\$3.61	
4.	Mammoth	1.19	3.63-3.78	3.43-3.58	
5.	Large	1.06	3.50-3.60	3.30-3.40	
6.	Medium	1.02	3.38-3.48	3.18-3.28	
7.	Small	.96	3.27-3.35	3.07-3.15	
8.	Blended Spears:				
9.	Mammoth/Large	1.08	3.56-3.68	3.36-3.48	
10.	Mammoth/Large/Medium	1.06	3.46-3.58	3.26-3.43	
11.	Large/Medium	1.04	3.44-3.54	3.24-3.34	
12.	Medium/Small	1.00	3.33-3.43	3.13-3.23	
13.	Cut Spears	1.03	2.91-3.07	2.71-2.77	\$4.80
14.	Center Cuts	.62		1.73-1.78	3.51

(PART 5) AREA 5

Item No. and variety	Style and size	No. 2 can		No. 10 can	
		Permitted increase	Price ranges		Permitted increase
			Fancy	Standard	
1.	All green				
2.	Whole Spears:				
3.	Colossal	\$0.80	\$3.35-\$3.90	\$3.35-\$3.70	
4.	Mammoth	.85	3.05-3.77	3.45-3.57	
5.	Large	.81	3.45-3.55	3.35-3.35	
6.	Medium	.77	3.35-3.35	3.05-3.15	
7.	Small	.73	3.05-3.17	2.95-2.97	
8.	Blended Spears:				
9.	Mammoth/Large	.83	3.34-3.65	3.34-3.45	
10.	Mammoth/Large/Medium	.81	3.44-3.55	3.34-3.35	
11.	Large/Medium	.79	3.34-3.45	3.15-3.25	
12.	Medium/Small	.75	3.17-3.25	2.97-3.05	
13.	Cut Spears	.78	2.71-2.77	2.61-2.67	\$3.70
14.	Center Cuts	.80		2.07-2.15	2.30

TABLE 4—SPECIFIC DOLLARS-AND-CENTS MAXIMUM PRICES FOR PROCESSORS WHO WERE NOT IN BUSINESS DURING 1941 OR WHO MADE NO SALES OF PACKED ASPARAGUS DURING THE BASE PERIOD

(PART 1) AREA 1

(Dollars per dozen)

Item No. and variety	Style and size	No. 2 can		No. 3½ can		No. 10 can		Item No. and variety	Style and size	No. 2 can		No. 2½ can		No. 10 can	
		Fancy	Standard	Standard	Fancy	Standard	Fancy			Standard	Standard	Fancy	Standard		
All green	Whole Spears:							Other than all green	Whole Spears:						
1.....	Colonial.....	\$2.81	\$2.61					14.....	Colonial.....	\$2.96	\$2.78				
2.....	Mammoth.....	2.74	2.54					15.....	Mammoth.....	2.98	2.78				
3.....	Large.....	2.64	2.44					16.....	Large.....	2.98	2.78				
4.....	Medium.....	2.41	2.21					17.....	Medium.....	2.95	2.75				
5.....	Small.....	2.22	2.02					18.....	Small.....	2.78	2.58				
	Blended Spears:								Blended Spears:						
6.....	Mammoth/Large.....	3.60	3.40					19.....	Mammoth/Large.....	2.98	2.78				
7.....	Mam./Large/Medium.....	3.60	3.40					20.....	Mam./Large/Medium.....	2.97	2.77				
8.....	Large/Medium.....	3.33	3.13					21.....	Large/Medium.....	2.97	2.77				
9.....	Medium/Small.....	3.32	3.12					22.....	Medium/Small.....	2.87	2.67				
10.....	Cut Spears.....	3.04	2.84		\$15.44	\$14.44		23.....	Cut Spears.....	2.55	2.35		\$12.67	\$11.67	
11.....	Center Cuts.....		1.39			16.40		24.....	Center Cuts.....		.97			4.72	
12.....	Soup Cuts.....		2.78			13.15		25.....	Soup Cuts.....		2.13	\$2.87		9.84	
13.....	Salad Points.....	4.20	4.00		19.40	18.40		26.....	Salad Points.....	4.01	3.81		18.00	17.00	

(PART 2) AREA 2

Item number and variety	Style and size	No. 2 can		No. 10 can		Item number and variety	Style and size	No. 2 can		No. 10 can	
		Fancy	Stand-ard	Fancy	Stand-ard			Fancy	Stand-ard	Fancy	Stand-ard
<i>All green</i>	Whole Spears:					<i>All green</i>	Blended Spears:				
1.....	Colonial.....	\$2.46	\$2.26			6.....	Mammoth/Large.....	\$2.41	\$2.21		
2.....	Mammoth.....	2.43	2.23			7.....	Mam./Large/Medium.....	2.35	2.15		
3.....	Large.....	2.38	2.18			8.....	Large/Medium.....	2.32	2.12		
4.....	Medium.....	2.34	2.14			9.....	Medium/Small.....	2.09	1.89		
5.....	Small.....	2.03	1.83			10.....	Cut Spears.....	2.06	1.86	\$14.04	\$13.04
						11.....	Center Cuts.....		1.41		6.40
						12.....	Soup Cuts.....		2.07		10.04

(PART 3) AREA 3

<i>All green</i>	Whole Spears:					<i>All green</i>	Blended Spears:				
1.....	Colonial.....	\$2.92	\$2.72			6.....	Mammoth/Large.....	\$2.60	\$2.40		
2.....	Mammoth.....	2.70	2.50			7.....	Mam./Large/Medium.....	2.50	2.30		
3.....	Large.....	2.50	2.30			8.....	Large/Medium.....	2.40	2.20		
4.....	Medium.....	2.30	2.10			9.....	Medium/Small.....	2.22	2.02		
5.....	Small.....	2.13	1.93			10.....	Cut Spears.....	2.74	2.54	\$12.67	\$12.67
						11.....	Center Cuts.....		2.10		9.67

(PART 4) AREA 4

Item number and variety	Style and size	No. 2 can		No. 10 can		Item number and variety	Style and size	No. 2 can		No. 10 can	
		Fancy	Stand-ard	Fancy	Stand-ard			Fancy	Stand-ard	Fancy	Stand-ard
<i>All green</i>	Whole Spears:					<i>All green</i>	Blended Spears:				
1.....	Colonial.....	\$2.74	\$2.54			6.....	Mammoth/Large.....	\$2.62	\$2.42		
2.....	Mammoth.....	2.65	2.45			7.....	Mam./Large/Medium.....	2.56	2.36		
3.....	Large.....	2.45	2.25			8.....	Large/Medium.....	2.49	2.29		
4.....	Medium.....	2.43	2.23			9.....	Medium/Small.....	2.37	2.17		
5.....	Small.....	2.31	2.11			10.....	Cut Spears.....	2.94	2.74	\$12.42	\$12.42
						11.....	Center Cuts.....		1.78		7.88

(PART 5) AREA 5

<i>All green</i>	Whole Spears:					<i>All green</i>	Blended Spears:				
1.....	Colonial.....	\$2.92	\$2.72			6.....	Mammoth/Large.....	\$2.60	\$2.40		
2.....	Mammoth.....	2.70	2.50			7.....	Mam./Large/Medium.....	2.50	2.30		
3.....	Large.....	2.50	2.30			8.....	Large/Medium.....	2.40	2.20		
4.....	Medium.....	2.30	2.10			9.....	Medium/Small.....	2.22	2.02		
5.....	Small.....	2.13	1.93			10.....	Cut Spears.....	2.74	2.54	\$12.67	\$12.67
						11.....	Center Cuts.....		2.10		9.67

TABLE 5—CONVERSION FACTORS METAL CONTAINERS

(PART 1) AREA 1

All green variety

To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—						To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—					
	8-oz.	No. 1 picnic	No. 1 tall	No. 2	No. 1 square	No. 10		8-oz.	No. 1 picnic	No. 1 tall	No. 2	No. 1 square	No. 10
Whole Spears:							Cut Spears and Soup Cuts—Con.						
No. 1 picnic.....				1.55	2.02		No. 1 picnic.....				1.50		7.30
No. 1 tall.....				1.33	1.71		No. 2.....	.45	.63				4.50
No. 2.....		.64	.76		1.30		No. 10.....	.10	.14		.21		
No. 1 square.....		.49	.68	.77			Center Cuts:						
Cut Spears and Soup Cuts:							No. 2.....						4.50
8-ounce.....				2.25		10.31	No. 10.....				.30		

(PART 1) AREA 1A

Other than all green variety

To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—								To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—							
	8-oz.	No. 1 picnic	No. 1 tall	No. 2	No. 2½ square	No. 1 square	No. 2½ regular	No. 10		8-oz.	No. 1 picnic	No. 1 tall	No. 2	No. 2½ square	No. 1 square	No. 2½ regular	No. 10
Whole Spears:									Cut Spears and Soup Cuts:								
8-ounce.....				2.54					8-ounce.....				2.25				10.31
No. 1 Picnic.....				1.40					No. 1 Picnic.....	.45	.63		1.50				7.30
No. 1 Tall.....				1.30					No. 2.....	.10	.14		.21				4.50
No. 2.....	.55	.67	.73		1.21	1.25	1.30		No. 10.....								
No. 2½ square.....				.63					Center Cuts:								
No. 1 square.....				.80					No. 2.....								4.50
No. 2½ Regular.....				.73					No. 10.....				.20				

(PART 2) AREAS 2, 3, 4, AND 5

All green variety

To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—						To convert from a can size in this column—	To a can size listed at the head of a column below, multiply by the appropriate conversion factor—					
	8-oz.	No. 1 picnic	No. 200	No. 1 tall	No. 2	No. 10		8-oz.	No. 1 picnic	No. 200	No. 1 tall	No. 2	No. 10
Whole Spears:							Cut Spears and Soup Cuts—Con.						
No. 1 picnic.....					1.00		No. 2.....	.45	.63				4.74
No. 200.....					1.37		No. 10.....	.10	.13			.21	
No. 1 tall.....					1.15		Center Cuts:					1.20	5.00
No. 2.....		.63	.76	.84			No. 2.....			.75			4.50
Cut Spears and Soup Cuts:							No. 10.....			.17		.23	
8-ounce.....					2.15	10.20							
No. 1 picnic.....					1.61	7.60							

TABLE 6—DIFFERENCES BETWEEN STYLES (DOLLARS PER DOZEN CONTAINERS)

PART 1: AREA 1

All green variety

No. 2 cans

To convert from a style in this column—	To a style listed at the head of a column below add (or subtract as indicated) the stated difference—											
	Salad points	Whole spears								Cut spears	Soup cuts	Center cuts
		Colonial	Mammoth	Mammoth/large	Large	Mammoth/medium	Large/medium	Medium	Med./small blended	Small		
Salad Points.....	0	-\$0.39	-\$0.46	-\$0.51	-\$0.55	-\$0.60	-\$0.67	-\$0.79	-\$0.88	-\$0.98	-\$1.15	-\$1.22
Whole Spears:												
Colonial.....	+\$0.39	0	-.07	-.12	-.17	-.21	-.26	-.40	-.49	-.59	-.77	-.83
Mammoth.....	+.46	+.07	0	-.05	-.10	-.14	-.21	-.33	-.43	-.53	-.70	-.76
Mammoth/Large.....	+.51	+.12	+.05	0	-.05	-.09	-.16	-.28	-.37	-.47	-.65	-.71
Large.....	+.56	+.17	+.10	+.05	0	-.04	-.11	-.23	-.33	-.43	-.60	-.66
Mammoth/Large/Medium.....	+.60	+.21	+.14	+.09	+.04	0	-.07	-.19	-.28	-.38	-.56	-.62
Large/Medium.....	+.67	+.28	+.21	+.16	+.11	+.07	0	-.13	-.21	-.31	-.49	-.55
Medium.....	+.79	+.40	+.33	+.28	+.23	+.19	+.13	0	-.09	-.19	-.37	-.43
Medium/Small.....	+.88	+.49	+.43	+.37	+.33	+.28	+.21	+.09	0	-.10	-.28	-.34
Small.....	+.98	+.59	+.53	+.47	+.43	+.36	+.31	+.19	+.10	0	-.18	-.24
Cut Spears.....	+\$1.15	+.77	+.70	+.65	+.60	+.55	+.49	+.37	+.28	+.18	0	-.06
Soup Cuts.....	+\$1.22	+.83	+.76	+.71	+.66	+.62	+.55	+.43	+.34	+.24	+.08	0
Center Cuts.....	+\$2.71	+\$2.33	+\$2.26	+\$2.20	+\$2.15	+\$2.11	+\$2.04	+\$1.92	+\$1.83	+\$1.73	+\$1.55	+\$1.49

(D433-213, 214, 217)—GPO—OPA 9667—p. 10

TABLE 6—DIFFERENCES BETWEEN STYLES (DOLLARS PER DOZEN CONTAINERS)—Continued

PART 1: AREA I—continued
All green variety—Continued
No. 10 cans

Style	Salad points	Cut spears	Soup cuts	Center cuts	Style	Salad points	Cut spears	Soup cuts	Center cuts
Salad Points.....	30	\$-3.90	\$-5.25	\$-12.00	Soup Cuts.....	+5.25	+1.20	0	-6.75
Cut Spears.....	+3.90	0	-1.20	-8.04	Center Cuts.....	+12.00	+8.04	+6.75	0

Other than all green variety

No. 2 cans

To a style listed at the head of a column below, add (or subtract as indicated) the stated difference—

To convert from a style in this column—	Salad points	Whole spears									Cut spears	Soup cuts	Center cuts
		Colonial	Mammoth	Mammoth/large	Large	Mam/Large/medium	Large/medium	Medium	Medium/small	Small			
Salad Points.....	0	\$-1.03	\$-1.03	\$-1.03	\$-1.03	\$-1.04	\$-1.04	\$-1.06	\$-1.14	\$-1.23	\$-1.45	\$-1.68	\$-2.84
Whole Spears:													
Colonial.....	\$+1.03	0	0	0	0	-.01	-.01	-.03	-.11	-.30	-.42	-.65	-1.81
Mammoth.....	+1.03	0	0	0	0	-.01	-.01	-.03	-.11	-.30	-.42	-.65	-1.81
Large.....	+1.03	0	0	0	0	-.01	-.01	-.03	-.11	-.30	-.42	-.65	-1.81
Mammoth/Large.....	+1.03	0	0	0	0	-.01	-.01	-.03	-.11	-.30	-.42	-.65	-1.81
Mammoth/Large/Medium.....	+1.04	+0.01	+0.01	+0.01	+0.01	0	0	-.02	-.10	-.19	-.41	-.64	-1.80
Large/Medium.....	+1.04	+0.01	+0.01	+0.01	+0.01	0	0	-.02	-.10	-.19	-.41	-.64	-1.80
Medium.....	+1.06	+0.03	+0.03	+0.03	+0.03	+0.02	+0.02	0	-.08	-.17	-.39	-.62	-1.78
Medium/Small.....	+1.14	+0.11	+0.11	+0.11	+0.11	+0.10	+0.10	+0.08	0	-.09	-.31	-.64	-1.70
Small.....	+1.23	+0.20	+0.20	+0.20	+0.20	+0.12	+0.19	+0.17	+0.09	0	-.22	-.45	-1.61
Cut Spears.....	+1.45	+0.42	+0.42	+0.42	+0.42	+0.41	+0.41	+0.39	+0.31	+0.22	0	-.23	-1.39
Soup Cuts.....	+1.68	+0.65	+0.65	+0.65	+0.65	+0.64	+0.64	+0.62	+0.54	+0.45	+0.23	0	-1.16
Center Cuts.....	+2.84	+1.81	+1.81	+1.81	+1.81	+1.80	+1.80	+1.72	+1.70	+1.61	+1.39	+1.16	0

No. 10 cans

Style	Salad points	Cut spears	Soup cuts	Center cuts	Style	Salad points	Cut spears	Soup cuts	Center cuts
Salad Points.....	0	-\$5.93	-\$7.76	-\$12.88	Soup Cuts.....	+\$7.76	+\$5.93	0	8.12
Cut Spears.....	+\$5.93	0	-1.83	-6.95	Center Cuts.....	+12.88	+6.95	+8.12	0

PART 2: AREA II

All green variety

No. 2 cans

To a style listed at the head of a column below, add (or subtract as indicated) the stated difference—

To convert from a style in this column—		Whole spears								Cut spears	Small spears	Soup cuts	Center cuts
		Colonial	Mammoth	Mammoth/large	Large	Mam/Large/medium	Large/medium	Medium	Medium/small				
Whole Spears:													
Colonial.....	0	\$-0.03	\$-0.03	\$-0.03	\$-0.03	\$-0.11	\$-0.14	\$-0.22	\$-0.37	\$-0.50	\$-0.53	\$-1.10	\$-1.85
Mammoth.....	+\$0.03	0	-.02	-.05	-.06	-.11	-.19	-.34	-.47	-.50	-.50	-1.16	-1.82
Mammoth/Large.....	+0.03	+0.02	0	-.03	-.06	-.09	-.17	-.32	-.45	-.48	-.48	-1.14	-1.80
Large.....	+0.08	+0.03	+0.03	0	-.03	-.06	-.14	-.29	-.42	-.45	-.45	-1.11	-1.77
Mammoth/Large/Medium.....	+0.11	+0.08	+0.08	+0.03	0	-.03	-.11	-.26	-.39	-.42	-.42	-1.08	-1.74
Large/Medium.....	+0.14	+0.11	+0.09	+0.06	+0.03	0	-.08	-.23	-.36	-.39	-.39	-1.05	-1.71
Medium.....	+0.22	+0.19	+0.17	+0.14	+0.11	+0.08	0	-.15	-.28	-.31	-.31	-.97	-1.63
Medium/Small.....	+0.37	+0.34	+0.32	+0.30	+0.26	+0.23	+0.15	0	-.13	-.16	-.16	-.82	-1.48
Cut Spears.....	+0.50	+0.47	+0.45	+0.42	+0.39	+0.36	+0.30	+0.13	0	-.03	-.03	-.89	-1.35
Small Spears.....	+0.53	+0.50	+0.48	+0.45	+0.42	+0.39	+0.31	+0.16	+0.03	0	0	-.66	-1.32
Soup Cuts.....	+1.10	+1.16	+1.14	+1.11	+1.08	+1.05	+0.97	+0.82	+0.60	+0.65	0	-.66	-1.32
Center Cuts.....	+1.85	+1.82	+1.80	+1.77	+1.74	+1.71	+1.63	+1.48	+1.33	+1.32	+0.66	0	0

(D633-213, 214, 217)—(HFO-OPA 8067—p. 11)

TABLE 6—DIFFERENCES BETWEEN STYLES (DOLLARS PER DOZEN CONTAINERS)—Continued

PART 2: AREA II—continued
All green variety—Continued
No. 10 cans

Style	Cut spears	Soup cuts	Center cuts
Cut Spears.....	0	\$-3.00	\$-6.64
Soup Cuts.....	+\$3.00	0	-3.64
Center Cuts.....	+6.64	-3.64	0

PART 3: AREA III
All green variety
No. 2 cans

To convert from a style in this column--	To a style listed at the head of a column below, add (or subtract as indicated) the stated difference--									
	Whole spears								Cut spears	Center cuts
	Colossal	Mammoth	Mammoth/ large	Large	Large/ medium	Medium	Medium/ small	Small		
Whole Spears:										
Colossal.....	0	\$-0.22	\$-0.32	\$-0.42	\$-0.52	\$-0.52	\$-0.70	\$-0.79	\$-1.18	\$-1.62
Mammoth.....	+\$-.22	0	-.10	-.20	-.30	-.40	-.48	-.57	-.66	-1.40
Mammoth/Large.....	+ .32	+ .10	0	-.10	-.20	-.30	-.38	-.47	-.56	-1.20
Large.....	+ .42	+ .30	+ .10	0	-.10	-.20	-.28	-.37	-.46	-1.20
Large/Medium.....	+ .52	+ .30	+ .20	+ .10	0	-.10	-.18	-.27	-.36	-1.10
Medium.....	+ .62	+ .40	+ .30	+ .20	+ .10	0	-.08	-.17	-.26	-1.00
Medium/Small.....	+ .70	+ .48	+ .38	+ .28	+ .18	+ .08	0	-.06	-.15	-.88
Small.....	+ .79	+ .57	+ .47	+ .37	+ .27	+ .17	+ .06	0	-.30	-.83
Cut Spears.....	+1.18	+ .96	+ .86	+ .76	+ .66	+ .56	+ .46	+ .36	0	-.44
Center Cuts.....	+1.62	+1.40	+1.20	+1.20	+1.10	+1.00	+ .92	+ .83	+ .44	0

No. 10 cans. Difference between Cut spears and Center cuts, \$3.00.

PART 4: AREA IV
All green variety
No. 2 cans

To a style listed at the head of a column below, add (or subtract as indicated) the stated difference—										
To convert from a style in this column—	Whole spears								Cut spears	Center Cuts
	Colossal	Mammoth	Mammoth/ large	Mam./ large/ medium	Large	Large/ medium	Medium	Medium/ small		
Whole Spears:										
Colossal.....	0	\$-0.05	\$-0.12	\$-0.18	\$-0.19	\$-0.26	\$-0.31	\$-0.31	\$-0.43	\$-0.90
Mammoth.....	+\$0.05	0	-.07	-.13	-.14	-.20	-.26	-.23	-.38	-.75
Mammoth/Large.....	+ .12	+ .07	0	-.06	-.07	-.13	-.19	-.25	-.31	-.69
Mammoth/Large/Med.....	+ .18	+ .13	+ .06	0	-.01	-.07	-.13	-.19	-.25	-.63
Large.....	+ .19	+ .14	+ .07	+ .01	0	-.06	-.12	-.18	-.24	-.61
Large/Medium.....	+ .26	+ .20	+ .13	+ .07	+ .06	0	-.06	-.12	-.18	-.55
Medium.....	+ .31	+ .26	+ .19	+ .13	+ .12	+ .06	0	-.06	-.12	-.49
Medium/Small.....	+ .37	+ .32	+ .26	+ .19	+ .18	+ .12	+ .08	0	-.06	-.43
Small.....	+ .43	+ .38	+ .31	+ .25	+ .24	+ .18	+ .12	+ .06	0	-.37
Cut Spears.....	+ .90	+ .75	+ .68	+ .62	+ .61	+ .55	+ .49	+ .43	+ .37	0
Center Cuts.....	+1.79	+1.74	+1.67	+1.61	+1.60	+1.54	+1.48	+1.43	+1.36	0

No. 10 cans. Difference between Cut Spears and Center Cuts, \$4.54.

TABLE 6—DIFFERENCES BETWEEN STYLES (DOLLARS PER DOZEN CONTAINERS)—Continued

VARY AREA V

All green variety

No. 3 cans

To convert from a style in this column—	To a style listed at the head of a column below, add (or subtract as indicated) the stated difference—									
	Whole spears								Cut spears	Center cuts
	Colossal	Mammoth	Mammoth/ large	Large	Large/ medium	Medium	Medium/ small	Small		
Whole spears:										
Colossal.....	0	\$-0.22	\$-0.22	\$-0.43	\$-0.22	\$-0.22	\$-0.70	\$-0.70	\$-1.18	\$-1.22
Mammoth.....	\$+0.22	0	-.10	-.30	-.30	-.40	-.48	-.57	-.98	-1.40
Mammoth/Large.....	+32	+10	0	-.10	-.20	-.30	-.38	-.47	-.88	-1.30
Large.....	+42	+30	+10	0	-.10	-.20	-.28	-.37	-.78	-1.20
Large/Medium.....	+52	+30	+20	+10	0	-.10	-.18	-.27	-.68	-1.10
Medium.....	+62	+40	+30	+20	+10	0	-.08	-.17	-.58	-1.00
Medium/Small.....	+70	+48	+38	+28	+18	+08	0	-.08	-.48	-.92
Small.....	+70	+57	+47	+37	+27	+17	+09	0	-.39	-.83
Cut spears.....	+1.18	+0.98	+0.88	+0.78	+0.68	+0.58	+0.48	+0.38	0	-.44
Center Cuts.....	+1.62	+1.40	+1.20	+1.10	+1.10	+1.00	+0.92	+0.83	+0.44	0

No. 10 cans. Difference between Cut spears and Center cuts, \$3.00.

TABLE 7—GRADE DIFFERENTIALS
All areas, all green and natural varieties, all styles

Can size:	Differential between standard and fancy grades
No. 2.....	\$0.20
No. 10.....	1.00

SEC. 16. Appendices for packed fruits
priced under Pricing Method No. 1.

APPENDIX A—RED SOUP FITTED CHERRIES

TABLE 1—AREAS

1. New York and Pennsylvania.
2. Michigan, Ohio and Wisconsin.
3. Washington.
4. Montana.
5. Oregon, Idaho and California.
6. Utah and Colorado.
7. All other states.

TABLE 2—BASE PRICES (ALL AREAS)

Weighted average selling price for the first 30 days after the beginning of the 1941 pack.

TABLE 3—PERMITTED INCREASES AND PRICE RANGES
PER DOZEN CONTAINERS FOR PROCESSORS WHO
MADE SALES OF PACKED RED SOUP FITTED CHERRIES
DURING THE BASE PERIOD.

STANDARD GRADE WATER PACK

Area	No. 3 cans		No. 10 cans	
	Permitted increase	Price range	Permitted increase	Price range
1.....	\$0.25	\$1.97-\$2.18	\$2.70	\$18.07-\$11.13
2.....	.73	1.97-2.18	2.65	18.07-11.13
3.....	.48	1.91-2.15	2.45	9.77-10.97
4.....	1.08	2.50-2.58	4.40	13.78-13.00
5.....	.63	2.18-2.40	4.22	11.11-12.33
6.....	.80	2.09-2.19	4.08	10.67-11.17
7.....	.73	1.97-2.18	2.65	10.07-11.13

TABLE 4—SPECIFIC DOLLARS-AND-CENTS MAXIMUM
PRICES PER DOZEN CONTAINERS FOR PROCESSORS
WHO WERE NOT IN BUSINESS DURING 1941 OR WHO
MADE NO SALES OF PACKED RSP CHERRIES DURING
THE BASE PERIOD.

Area	No. 3 cans	No. 10 cans
1.....	\$2.08	\$10.00
2.....	2.08	10.00
3.....	2.08	10.37
4.....	2.50	12.89
5.....	2.30	11.60
6.....	2.14	10.92
7.....	2.08	10.00

TABLE 5—CONVERSION FACTORS—METAL CONTAINERS

To convert from a can size in this column	To a can size listed at the head of a column below, multiply by the appropriate conversion factor:		
	308	2	10
308.....		1.18	4.90
2.....	.87		5.10
10.....	.17	.20	

TABLE 6—GRADE DIFFERENTIALS
Differences between successive grades (per dozen containers)

	No. 308	No. 2	No. 10 cans
Fancy and Choice.....	\$0.085	\$0.10	\$0.30
Choice and Standard.....	.085	.10	.30
Standard and Substandard.....	.085	.16	.90

TABLE 7—SYRUP DIFFERENTIALS

For each 10° of syrup (figured on the basis of put-in density) the processor shall add 25 cents to the price per dozen of Standard, Water pack for No. 10 Cans, 5 cents for No. 3 cans and 4 cents for No. 308 cans.

Effective date. This supplement shall become effective July 31, 1944.

Issued this 31st day of July 1944.

NOTE: All record-keeping and reporting requirements of this supplement have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

CHESTER BOWLES,
Administrator.

STATEMENT OF THE CONSIDERATIONS INVOLVED IN THE ISSUANCE OF SUPPLEMENT 7 TO FOOD PRODUCTS REGULATION NO. 1

Supplement 7 to Food Products Regulation No. 1 is issued for the purpose of establishing maximum prices for sales of canned fruits, berries and vegetables, and

certain other closely related packed products of the 1944 and later packs by sellers other than wholesalers and retailers. Wholesalers' and retailers' prices for

these products are determined under the fixed markup regulations. The basic formula by which the major fruits and vegetables are to be priced is set forth in

the supplement. However, these general pricing provisions are implemented by appendices relating to the pricing of particular products. The supplement as issued contains appendices for spinach, asparagus and red sour pitted cherries.

Pricing methods

Major fruits and vegetables. The principal fruits and vegetables of the 1944 pack are priced by a formula consisting of the 1941 base price of the individual processor, to which is added a permitted increase covering cost increases from 1941 to 1944, and a profit adjustment. The result of the addition of a permitted increase to processors' base price is the processors' gross maximum price provided it falls within the range of prices covering the particular item of the product being priced. The permitted increases and price ranges are set forth in separate appendices covering each product. The gross maximum price for sales to purchasers other than government procurement agencies is subject to reduction by the amount of any subsidy which is made payable per unit of the finished product. The fruits and vegetables which are to be priced under this formula are: fruits—apples, applesauce, apricots, red sour pitted cherries, sweet cherries, fruit cocktail, peaches, pears and prunes (packed from fresh prunes); vegetables—asparagus, snap beans, beets, sweet corn, peas, spinach, tomatoes and tomato juice.

The primary basis for determining which fruits or vegetables of the 1944 pack would be priced by the foregoing formula was the volume of the pack of the particular product, although some products were included in this general pricing formula because they are packed in comparatively concentrated areas.

Minor products of the pack will be priced by a somewhat simpler method, designed to establish prices at substantially the same level as the more important products. The details of the methods to be used as to these products will be announced later.

Parts of the formula

Base prices. The 1941 base prices from which each processor will construct his maximum prices are generally the weighted average selling prices during the first 60 days after the beginning of the 1941 pack. For some particular products, where the first 60 days after the beginning of the 1941 pack was not a representative period, other base periods are used. This is true as to spinach where the base period is established as the first 60 days after the beginning of the 1941 spring and fall packs in all areas except in California, Washington and Oregon, where the base period is established as the first 60 days after the beginning of the 1941 spring pack. The Statements of Considerations accompanying Maximum Price Regulation 152 (Canned Vegetables) and Maximum Price Regulation 185 (Canned Fruits and Vegetables), the regulations which first used the first 60 days after the beginning of the 1941 pack as the base period of sales from which to construct formula prices for canned fruits, vegetables and berries, discuss in detail the justification

for the use of this period of sales as a base for establishing maximum prices of these products, and for this reason they are incorporated herein by reference.

The accompanying supplement requires processors to figure a weighted average price for each item, except that items which differ in brand name only are treated as one item. In the past while some members of the canning industry have sold different brands, all in the same grade, at the same price other members of the industry have established price differentials for the same grade of a product depending on the particular brand name under which it is to be sold. Under this supplement for pricing purposes, regardless of the number of brands under which a particular item is sold, processors figure but one maximum price for all brands which fall within the same grade. If processors were allowed to figure several maximum prices for items which differ only in brand name, it would be possible to shift production from the brands with the lower prices in the base period to the brands with the higher prices. By this method processors would have, in effect, obtained higher prices relative to the base period than processors who had only a single brand in a grade. The compliance problems which would be raised if processors were permitted to figure separate maximum prices for each brand of a product within a grade sold by them are so serious that the Price Administrator deems it necessary to require that prices be figured as indicated.

Permitted increases. The "permitted increase" which is added to the processor's base price will be stated in the appendix covering the particular product, together with price ranges and the necessary conversion tables for figuring changes in container types and sizes, changes in grade, and changes in style of pack. The permitted increases have been computed in two parts. First the adjustment for cost increase is determined by (a) finding the increase in total costs between 1941 and 1944 (estimated) for each processor in a sample of some 275 companies; (b) taking either a bulk line or a weighted average of these costs, whichever is appropriate. Second, an adjustment is determined to bring the level of profits for the industry for 1944 to that of the years 1940-1941. To do this, a dollars-and-cents profit differential is computed by applying the difference between the 1941 average rate of profits on sales for the industry as a whole, and that for the average of the years 1940-1941. This profit percentage is adjusted for increases in the level of prices for canned fruits and vegetables which have occurred since 1941. The final "permitted increase" for the item is the cost increase adjustment less the profit adjustment.

Price ranges. Price ranges for different container types and sizes, different grades, and different styles of pack, within which all maximum prices for the item must fall, are established in separate appendices relating to particular products. These price ranges are established for the basic container sizes in which the products are permitted to be

packed under the tin conservation order of the War Production Board, and for the principal commercial grades in which the products are generally packed. Conversion tables dealing with changes in can sizes, changes from tin to glass, changes in grade, and changes in style of pack are provided in the individual appendices covering the particular product. By the use of these tables processors will be able to figure their maximum prices for the item being priced if sales of the product in any form were made during the base period. The price ranges for the products covered by this pricing method are based on the reports filed by processors under the order issued April 15, 1944, under which processors reported their base prices during the first 60 days after the beginning of the 1941 pack (or other base periods specified in that order). The price ranges as established cover approximately $\frac{1}{2}$ of the production, leaving the prices for $\frac{1}{2}$ of the production above the price range and those for about $\frac{1}{4}$ of the production below the price range. It must be noted, however, that the basic formula provides for an adjustment downward to the highest price named in the price range for all maximum prices which are higher than the highest price named in the range, and an adjustment upward to the lowest price in the price range for all maximum prices which fall below the lowest price named in the price range. The processor whose gross maximum price, (that is, his base price plus his permitted increase) falls within the price range retains this position.

Subtraction from gross maximum prices of any subsidy payable. The maximum prices figured in the manner described above are gross maximum prices from which any subsidy which may later be announced, is to be subtracted on the basis of the amount payable per unit of the finished product, when making sales to purchasers other than government procurement agencies.

Maximum prices for processors who were not in business during 1941 or who made no sales during the base period. The supplement provides in the individual appendices, dollars-and-cents maximum prices for processors who were not in business during 1941 or who made no sales of the product in any form during the base period. These dollars-and-cents prices are generally the midpoint of the range of prices established for the item.

Maximum prices for sales to Government procurement agencies. Maximum prices for sales to government procurement agencies are figured at 96% of the processor's gross maximum price for sales to purchasers other than government procurement agencies. This is accomplished by the adoption of Section 2.12 of Food Products Regulation No. 1, which sets forth the manner in which the maximum prices for sales to government procurement agencies are figured in certain cases.

The basic formula, set forth above, was approved by the Economic Stabilization Director in his directive of April 6, 1944, in which the Price Administrator was directed to establish maximum prices for the 1944 pack of canned fruits and vegetables by the formula method

above described. The formula used, including the naming of dollars-and-cents prices in the middle of the range for processors who were not in business during 1941, or who made no sales during the base period, has been issued after full consultation with the Advisory Committee representing the industry as a whole and Commodity Committees for the particular products which are now priced by this supplement.

Profit position of the industry

The directive of April 6, from the Economic Stabilization Director established as the profit base for the canning industry the weighted average percentage of net profits, before taxes for the years 1940-1941. The reason for using this period instead of the customary period of 1936 to 1939 was that this industry was unduly depressed during that period. The use of a percentage of profit rather than an absolute amount was to provide an incentive to the industry to expand its production to the levels which are needed for the effective prosecution of the war. The adjustment for price increases since 1941 limits changes in industry profits from the 1941 levels to changes in physical volume rather than dollar volume of production.

The profit base was established from the records of all companies in the sample, described above, who reported full profit data for the years 1940 and 1941 and who sold only canned fruits and vegetables. The exclusion of processors selling products other than fruits and vegetables was made because the profits of these firms were heavily influenced by their other operations where the rate of profit was significantly different. In averaging the rates of profits for the firms in the study, the weighting was adjusted to the relative importance in the industry of the various geographic areas and sizes of firms.

The profit return for the canning industry for 1941 was determined to be 8.66% of sales and the average for 1940-1941 was 6.92%. The difference between these two figures, 1.74% when applied to the average base period price for each item in each area, is the adjustment factor, referred to above, which was subtracted from the total cost increase 1944 over 1941 in arriving at the final "permitted increase". The permitted increase is the amount the processor adds to his base price to construct a gross maximum price.

Bases for figuring 1944 estimated costs of production. In making estimates for the 1944 cost of production two principal types of adjustment of 1943 costs were made for most products. First, the 1944 support price or the price recommended by the War Food Administrator and approved by the Director of Economic Stabilization was substituted for the 1943 actual price of raw materials. Second, where changes in wage rates have been approved by the War Labor Board or have become mandatory under the Fair Labor Standards Act since the period to which the cost data for 1943 applies, appropriate adjustments in labor cost have been made.

Requirements of the Emergency Price Control Act, as amended, are met

Requirements of Section 2 of the Act. Section 2 of the Emergency Price Control Act, as amended, provides the Price Administrator may establish maximum prices which are generally fair and equitable and which will effectuate the purposes of the Act, as amended. This section requires that consideration be given to prices prevailing between October 1 and October 15, 1941 (or other nearest two weeks period if this period is not representative because of seasonal or abnormal conditions), and that adjustment shall be made by the Price Administrator for such relevant factors as he may determine and deem to be of general applicability, including increases and decreases in the cost of production, distribution and transportation, and general increases and decreases in profits earned during and subsequent to the year ending October 1, 1941.

The maximum prices established by this supplement are generally fair and equitable within the meaning of Section 2 of the Act. The maximum prices established under the formula provided in the supplement will return to the industry as a whole profits at the average rate for the years 1940-1941, duly adjusted for price increases since 1941. This rate of profit for the industry is deemed by the Price Administrator to be at least as high as a normal peace time period for the industry. The Price Administrator in establishing prices under this supplement has considered the level of prices in the industry for October 1 to 15, 1941 and the increases in costs which have occurred since that date. The Price Administrator has consulted with members of the industry who will be affected by this supplement and has given consideration to their recommendations.

(b) Requirements of Section 3 of the Act, as amended, are met. Section 3 of the Act, as amended, provides no maximum price shall be established for any agricultural commodity or any commodity, processed in whole or in part from any agricultural commodity which does not reflect to producers of such agricultural commodity the higher of (1) parity or the comparable price adjusted for grade, location and seasonal differential or, (2) the highest price received by producers thereof from January 1, to September 15, 1942, adjusted for grade, location and seasonal differentials. This section further provides that modification shall be made in maximum prices so established in any case where it appears that such modification is necessary to increase production for war purposes or where by reason of increased labor or other costs to producers incurred since January 1, 1941 the maximum prices so established will not reflect such increased costs. The Price Administrator is also directed in fixing maximum prices for agricultural commodities and commodities processed in whole or in part from agricultural commodities to give adequate weighting to farm labor.

The maximum prices established by this supplement for spinach, asparagus,

and red sour pitted cherries meet the minimum requirements of Section 3 of the Act. As to spinach the raw material costs used in constructing the "permitted increases" for this product are based on the support prices of the War Food Administration, which average approximately \$55.00 per ton for the country as a whole, a figure substantially above the legal minimum of \$38.72, the highest price for the period January 1 to September 15, 1942 seasonally adjusted. Parity for April 15, 1944 was \$23.20 per ton, while the January 1, 1941 price adjusted for cost increases since that period is \$30.10 per ton. The cost increases for the industry as a whole are based on a sample of firms which packed approximately a third of all the spinach canned in 1943. The support price of \$55.00 per ton used as the raw material cost for the 1944 pack of spinach is the same figure as used in constructing 1943 ceiling prices and is comparable to \$53.00 per ton, the actual farm average for 1943 as reported by the Bureau of Agricultural Economics.

The raw material cost for asparagus used in fixing the "permitted increases" are based on a recommended increase of $\frac{1}{2}\%$ per pound over the 1943 cost for asparagus for each processor in all states except California, where last year's costs are used. The prices so established exceed the legal minimum. For California the legal minimum is \$132.00 per ton, the 1940-1941 average price plus cost increases since that period. The parity price for California as of April 15, 1944 is \$91.80 per ton, while the highest price January 1-September 15, 1942 seasonal adjusted is \$118.15. The average price in California in 1943 for asparagus for processing was \$151.30.

The Secretary of Agriculture has not determined and published parity prices for producing areas other than California, nor has the Department of Agriculture published any information by which the tests prescribed by the Emergency Price Control Act of 1942, as amended, and Executive Orders 9250 and 9328 may be applied to asparagus produced in areas other than California. The Price Administrator has found it necessary to establish maximum prices on processed asparagus produced in all areas and has based his action on the 1943 prices paid by processors for asparagus plus a $\frac{1}{2}\%$ per pound increase for raw material in all areas except California. This increase of $\frac{1}{2}\%$ per pound over 1943 prices for asparagus was approved by the Director of Economic Stabilization in his directive of April 25, 1943. The cost increases are based on a sample of firms packing approximately 30% of the total pack of asparagus in 1943, as well as other data presented by the industry. In the judgment of the Price Administrator these prices are sufficient to meet all of the requirements of the Act and Executive Orders 9250 and 9328.

Raw material cost used in fixing the "permitted increases" for red sour pitted cherries is based on the recommended price of the War Food Administrator of \$155.00 per ton. The legal minimum for

red sour pitted cherries for processing is \$152.00 per ton, the parity price of April 15, 1944. The highest price January 1-September 15, 1942, seasonally adjusted is \$104.00 and the January 1941 price adjusted for cost increases is \$140.00 per ton. The price used allows for increases in parity which may be expected to occur during the season. The cost increases are based on a sample of firms canning approximately 45% of the total pack of red sour pitted cherries.

During 1943 red sour pitted cherries, for sales to processors were under a grower's ceiling under Maximum Price Regulation 425 which established a maximum price of 8½¢ per pound or \$170.00 per ton. This year's recommended price reflects a decrease in raw material cost of \$18.00 per ton.

Price ranges and permitted increases as to all three of the products now priced by this supplement are established on an area basis. These areas are based on similarity between cost data and base period price data.

Requirements of Executive Order 9328 are met

The requirements of Executive Order 9328 are met as to the maximum prices which are established by this supplement for packed asparagus, spinach and red sour pitted cherries. The maximum prices for red sour pitted cherries are based on a raw fruit cost of \$155.00 per ton, the legal minimum required by Section 3 of the Act, as amended. This price was recommended by the War Food Administrator, concurred in by the Price Administrator and approved by the Director of Economic Stabilization in a directive of June 26, 1944. The parity price of April 15, 1944, the higher of the two prices under Section 3 of the Act, as amended, is \$152.00 per ton.

The maximum prices for asparagus are based on a ½¢ per pound increase in raw material costs over the 1943 costs for asparagus for canning and freezing in all states except California. The raw material costs reflected in the maximum prices for asparagus are above the legal minimum. The increase of ½¢ per pound was recommended by the War Food Administrator as being necessary because labor costs outside of California have substantially increased since 1943 and because the production of asparagus involves a greater proportion of labor costs than in the production of other crops. This increase for asparagus for canning and freezing was approved by the Director of Economic Stabilization in his directive of April 25, 1944 as being necessary to correct gross inequities and to aid in the prosecution of the war and the Price Administrator was authorized and directed to establish ceiling prices which would reflect this increase.

The raw material costs reflected in the maximum prices for spinach are based on the recommended support price of \$55.00 per ton recommended by the War Food Administrator in his letter of February 12, 1944, to the Director of Economic Stabilization outlining the proposed support program for the 1944 crop of certain fruits and vegetables for processing. The price recommended in that letter for spinach is above the legal

minimum and is based on a price deemed necessary to achieve the necessary production required for the effective prosecution of the war. The support price recommended by the War Food Administration for spinach has been approved by the Director of the Office of Economic Stabilization as being necessary to aid in the effective prosecution of the war and the Price Administrator was directed to reflect this price in establishing ceilings covering the 1944 pack of canned spinach.

Miscellaneous provisions of the regulation. The accompanying supplement, similar to the other supplements to Food Product Regulation No. 1 which have been issued, adopts the applicable provisions of that Regulation such as definitions, changes in container sizes, pricing provisions for primary distributors and the provisions requiring notification of new maximum prices to be given to distributors.

This supplement requires all sellers to furnish the purchaser on or before delivery with an invoice describing the item sold and also stating its grade. This provision is similar in some respects to the requirement under Maximum Price Regulation 306, covering the 1943 pack which required grades of all the flat priced items to be shown on the invoice. Under this supplement the provision has been broadened to include a showing of the grades on the invoices of all of the items covered by the supplement. The major portion of the 1944 pack of fruits and vegetables which are priced under Pricing Method No. 1, described above, are priced according to commercial grade. Inasmuch as prices are based on grades it is essential for compliance purposes that the grade of the goods sold be stated on the invoice.

"Grade" is defined in the supplement to mean the established grade as commercially understood. The supplement contains the provisions designed to make possible the application of these established commercial grades, in the determination of maximum prices, with the utmost possible definiteness and accuracy.

The supplement contains a finding by the Price Administrator that the most accurate and complete description of the established grades is contained in the United States Standards for Grades of Processed Fruits and Vegetables published by the United States Department of Agriculture. It provides, therefore, with a qualification hereafter noted, that sales at a price no higher than the seller's maximum price for a claimed grade constitutes compliance with the regulation if the goods conform to the United States standards for that grade. If the goods do not so conform, the sale is in violation of the regulation unless it appears that the standards as generally understood in the trade differ in some material respect from the United States Standards and that the goods meet the requirements of the claimed grade as so understood in the trade.

The United States Standards, which thus constitute a presumptive test of conformity to grade, are not, as has sometimes been supposed, a separate system of grades distinct from so-called com-

mercial grades. They are rather written specifications for the commercial grades. The grades themselves are those universally recognized in commercial practice—for example, in the case of canned peas, fancy, extra-standard and standard. The United States Standards use both the commercial names for the grades and designation by letter, and goods which have been subject to continuous factory inspection by government inspectors may bear the prefix "U. S." before the grade designation.

The U. S. Standards are not only specifications for the established commercial grades, rather than a separate system of grades, but they represent the culmination of a long effort by the Department of Agriculture to reduce to writing the elements of the general commercial understanding of those grades. This effort has been carried on by a process of constant consultation with the trade. As a result of this consultation and of experience with the use of the specifications, they have been modified from time to time until now there is unquestionably the closest identity between the quality elements of the grades and the commercial understanding.

The United States Standards are adapted to the purposes for which they are used in the supplement because they are, with one exception the only available written statement of the elements of—that is, the specifications for—the established commercial grades. They are republished in abbreviated form in the Federal Specifications for processed fruits, vegetables and berries, under which all government purchasing takes place, and their full meaning and application as written is adopted by reference. Not only are they in writing but they are worked out with thoroughness and detail. Thus, they provide an objective means of testing canned fruits and vegetables and berries for grade of the finished product. Buyers and sellers are thereby afforded guidance in determining disputes as to conformity and a definite measure is provided in the determination of maximum prices.

In one other instance—that of the Specifications for California Canned Fruits published by the Cannery League of California and the Pacific Northwest Cannery Association, the elements of the commercial grades have been reduced to writing. These specifications, however, do not supply the same completeness and, therefore, accuracy as the United States Standards. They state in general terms the elements of grading without sufficient detail to provide objective testing of a product. For example, they treat the issue of color of pears by calling for very fine color for Fancy grade, fine color for Choice grade, and reasonably good color for Standard grade. U. S. Standards, on the other hand, deal with the objective basis for testing color and uniformity of color by describing the typical characteristic color, the variations allowable from characteristic color and the application of the color standard.

The U. S. Standards omit certain factors in grade determination which are taken into account in commercial practice. These factors may be generally described as non-quality elements. An

illustration of this difference is syrup density in the case of fruit. U. S. Standards do not give any consideration to the question of syrup density but treat it as a separable element unrelated to quality. This factor is similarly treated in this supplement which provides a separate table of price differentials for different syrup densities. Another non-quality difference is the count or number of pieces in a can, in the case of fruit. Although in some cases there is no difference on this issue between the U. S. Standards and general commercial understanding, certain canned peaches are not specifically graded by count under the U. S. Standards. To insure that this factor is fully recognized the supplement will, wherever any difference exists, incorporate the general commercial understanding. The supplement adopts the count provisions of the League Specifications in the case of the West Coast Fruits.

Section 2 (j) of the Emergency Price Control Act of 1942, as amended, places certain limitations upon the authority of the Price Administrator. He may not fix maximum prices for classes of commodities described in terms of specifications or standards, unless the specifications or standards were, prior to the regulation, in general use in the trade, except as later explained. The commercial grades, Fancy, Extra-Standard (or Choice) and Standard have been universally used both in private and commercial transactions. As has been explained, the United States Standards are not separate grades but specifications for the commercial grades. Constituting as they do the most accurate and complete description of the commercial understanding of these grades it follows that they may be properly used, in the way that is done in this supplement, as a written expression of the specifications or standards which have been in not only general use but substantially universal use in the canning industry.

It should be pointed out that Section 2 (j) contains further authority to make use of standards or specifications in cases where no practicable alternative exists for securing effective price control. The Price Administrator was prepared to make a finding under each of the provisions of Section 2 (j). In view, however, of the provision in the Second Deficiency Appropriation Act, 1944, which appears to narrow the grounds for pricing by grades of processed fruits and vegetables described in terms of specifications or standards to the single basis of general use, there is no present need for considering any other issue.

The supplement provides that failure of goods to conform to the standards

for a claimed grade is excused if it appears that general commercial understanding differs in any material respect from the written standards and that the goods meet the requirements of such understanding.

Although the standards are thus a basis for testing conformity to grade, it is open to a seller to offer proof of a general commercial understanding which differs in one or more material respects from the standards. If, further, the goods meet the requirements of the claimed grade as so generally understood in the trade, no violation has occurred. This method affords every seller a full and fair opportunity to test the issue as to the existence of material differences and protects him so long as he adheres to standards which are in fact in general use. The Office of Price Administration will not bring action against any seller where such action is based solely on immaterial differences between U. S. Standards and commercial grades as they are generally understood. The purpose of the provisions is to prevent up-grading, thereby protecting commercial buyers and consumers.

Processors who sold during the 1941 base period on a subgrade basis are permitted to make an election to price by subgrades. Limitations upon the election, however, are such that the processor thereupon must sell the entire pack of the item at a maximum price no higher than his maximum price for the item figured without regard to subgrades multiplied by the number of units sold. No selling price for any subgrade can exceed the top of the applicable range for the grade. The processor expresses his election by filing a statement with information covering the various quantity and price factors of the subgrade plan.

The purpose of the plan is to provide a flexible arrangement for the packer who was selling by subgrades that will permit him to operate within the limits of grade pricing, if he so elects, without affording a price advantage to him as against the packer who sells only by grade. The seller is free to determine his subgrades. He naturally should adhere to his established subgrades. In any event, there is no price advantages in his doing otherwise.

It should be noted that the seller who elects to sell any grade by subgrade, is subject to a maximum price for the aggregate of the items included in the grade. Just as a seller may be subject to liability for sale of the aggregate of items comprising a ton or a bushel if he sells the ton or bushel at a price in excess of the ceiling price established for that ton or bushel, so the seller is in violation who sells all the "Standard" grade of

an item which he has elected to sell by subgrade at prices which, when multiplied by the units sold, produce a price for the aggregate in excess of the amount obtained by multiplying the number of units sold by the maximum price applicable to the grade. In such a case the amount of the overcharge, in the event of an enforcement suit brought by the Administrator, would be the amount of the excess over the maximum price for aggregate of items in the grade.

A like principle applies in connection with sales by subgrades. If, for example, a seller who has elected to sell a grade of 30,000 cases of the standard grade of an item by subgrades elects to sell 10,000 of those cases as "Top Standard" at \$1.50, 10,000 cases as "Standard" at \$1.45, and 10,000 cases as "Near Standard" at \$1.40, he may not lawfully sell 12,000 of these cases at \$1.50 on the theory that he will make compensating reductions on other subgrades. If this were allowed, it would not be possible to determine compliance until he had sold so many cases as "Top Standard" that it would not be possible for him to bring his price for the entire grade down to its applicable maximum by giving the remaining cases away free. However, if he should be able to sell only 8,000 cases as "Top Standard," he would be free to sell 12,000 cases as "Standard" if he did not sell them in excess of the \$1.45 price he had set for "Standard" in his statement of election.

The supplement also contains pricing provisions for secondary processors or re-packers by which these persons may figure their prices for certain processed commodities which are purchased in bulk barrels or other large containers and further processed or re-packed in other containers. The supplement also contains a provision permitting prior years' packs of products listed in the Supplement which have been sold to processors by government agencies to be sold at the 1944 ceilings.

The provisions of this supplement do not compel changes in the business practices, cost practices or methods, or means or aids to distribution in the industry affected except to the extent that it is found necessary to prevent circumvention or evasion of this supplement and of the Emergency Price Control Act of 1942, as amended.

For the foregoing reasons the Price Administrator has issued the accompanying supplement to Food Products Regulation No. 1 and the maximum prices established thereby are generally fair and equitable.

Issued this 31st day of July 1944.

CHESTER BOWLES,
Administrator.